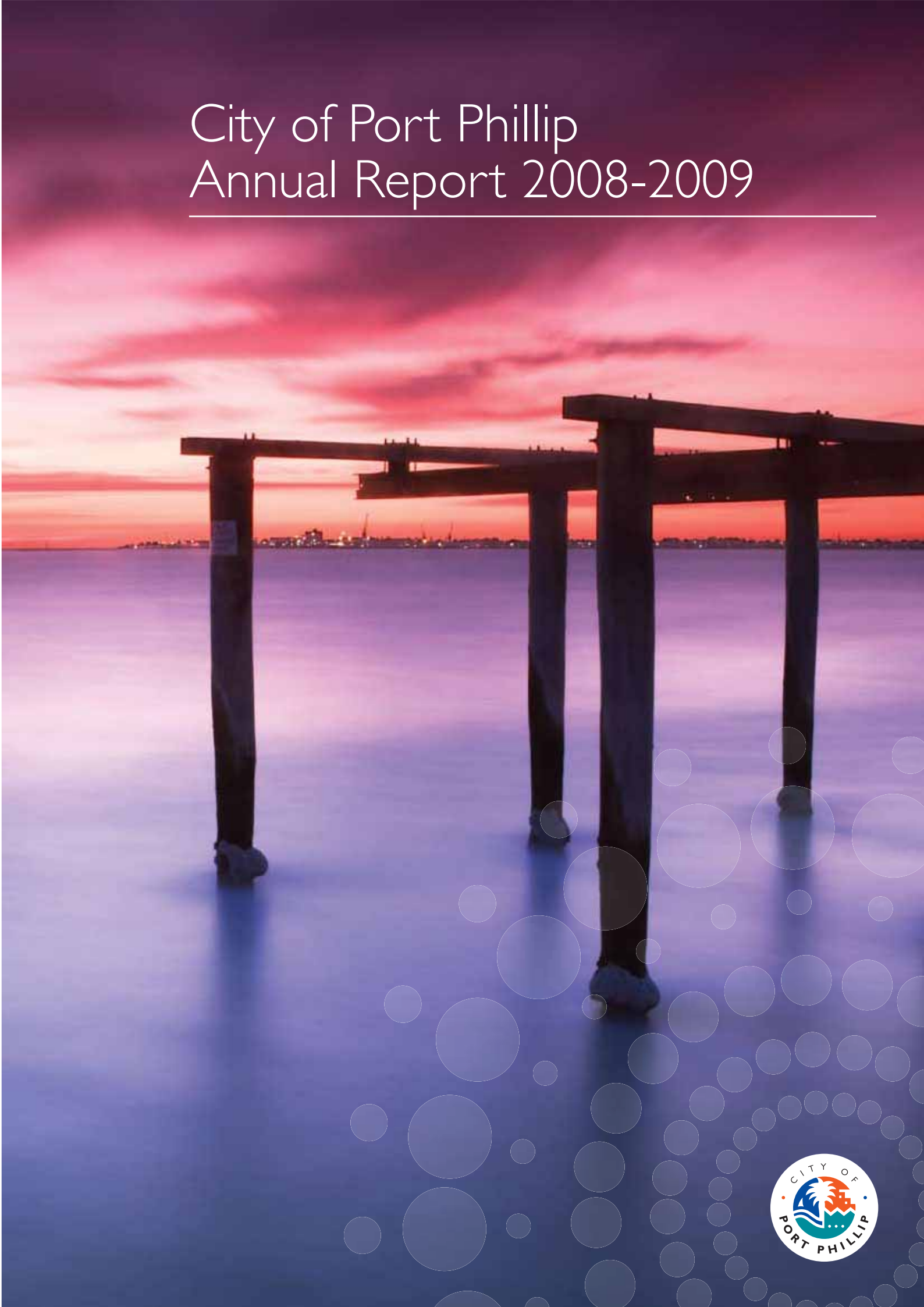


# City of Port Phillip Annual Report 2008-2009

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# Annual Snapshot



From small things, big things grow: community plantings such as Garden City Reserve in Port Melbourne inspired even the youngest gardeners.



Givers receive: 2008 Civic Awards recognised volunteering by young and old. Civic award winners are long-term volunteers: back row (from left), Kate Long, John Gilchrist, Bill Bradshaw; front row, Siobhain Geaney, Ethel Semmens and Wendy Van Dort (Port Phillip Urban Fresh Food Network).



Century for women: St Kilda Town Hall was the setting for a creative celebration of Victorian women gaining the right to vote in 1908. The event featured The Art of Suff-Rage, a travelling exhibition of 100 ceramic suffragists.



Stolen but not confined: Kutcha Edwards at Confined: Indigenous Prisoner Art, an exhibition held during the Yalukit Wilam Ngargee: People Place Gathering.



Linking people: the free community bus service was expanded to connect more neighbourhoods, more often.



Weaving a connection: Kirsty Sword Gusmao, the former First Lady of Timor-Leste (East Timor) visited the Timor-Leste textile exhibition organised by Friends of Suai at the St Kilda Town Hall Gallery.



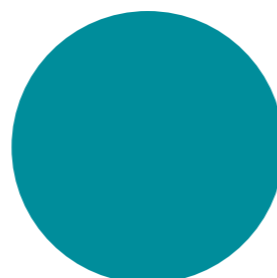
More spaces in more places: council contributed \$1.2 million to delivering children's services from four council managed centres, eight community managed centres, home-based care and vacation care for school aged children.



Better than Facebook: The Land of 1,000 Faces, an exhibition of over 1,000 self-portraits by young people, was the first exhibition at the new St Kilda Town Hall Gallery. Self-portraits came from local schools as well as schools in Obu, Port Phillip's Japanese sister city, and Suai, Port Phillip's friendship city in East Timor.



Green Crusaders: children got active about the environment during World Environment Day at the St Kilda Town Hall.



Sign of the times: 5,000 people, including many school students, spelt out their feelings on St Kilda Beach.



Page turner: Maura, the famous specialist reading consultant, provided personal reading programs using a unique human book-matching machine.



Home for lunch: chef Guy Grossi and the HEAT team served up a very long lunch for the homeless as part of the Melbourne Food and Wine Festival.



Different drum: Taiko drumming performance by community members of the delegation visiting Port Phillip from our Sister City of Obu in Japan.



Seven up: Port Phillip's councillors for 2008 – 2012 are (from left) Mayor Frank O'Connor, Cr Janet Bolitho, Cr Serge Thomann, Cr John Middleton, Cr Rachel Powning, Cr Judith Klepner and Cr Jane Touzeau.



Holy trinity: Father Bob Maguire sought out parishioners of a different kind at the Pets in the City event at Park Towers.



Planning works: community members had their say at the Port Phillip Community Plan's first year report card forum.



Who gives: Port Phillip Gives makes giving time, money and goods easier. Visit the website to discover volunteer opportunities and more.



Port Phillip proud: the annual pride march received a blessing in disguise.



Army reserve: the legendary Rats of Tobruk had a reserve named in their honour – conveniently opposite the Rats HQ in South Melbourne.

Big day in St Kilda: crowds flocked to St Kilda even after the severe weather and devastating events of Black Saturday. A spontaneous collection for bushfire victims raised \$13,000 in hours. Later that evening The Angels faced up in sensational form to an excited crowd.





Share and care: amusing signs urged promenaders of all descriptions to be nice.



Recycled winners: a children's activity centre made out of recycled shipping containers in South Melbourne won the Australian Institute of Architects National Award for Small Project Architecture.



Linking more neighbours: the seniors register was expanded to include South Melbourne residents. The register helps link neighbours with seniors. It also helps the police with contact details in an emergency.



Home on the Hill: Sputnik Russian TV is one of the community groups now at home in the South Melbourne Town Hall. Sputnik crew members Gregory Vaisman, Anna Vaisman and Kate Danova are pictured in their new office with Mayor Frank O'Connor.



Style after dark: a night market with great food and local fashion was trialled at the South Melbourne Market.



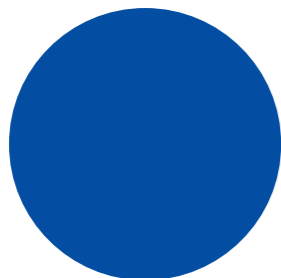
Solar seaside: a billion-to-one scale model of the solar system became a permanent feature on our foreshore. Starting with the Sun near St Kilda Marina, the planets stretch along the foreshore until tiny Pluto in Port Melbourne.



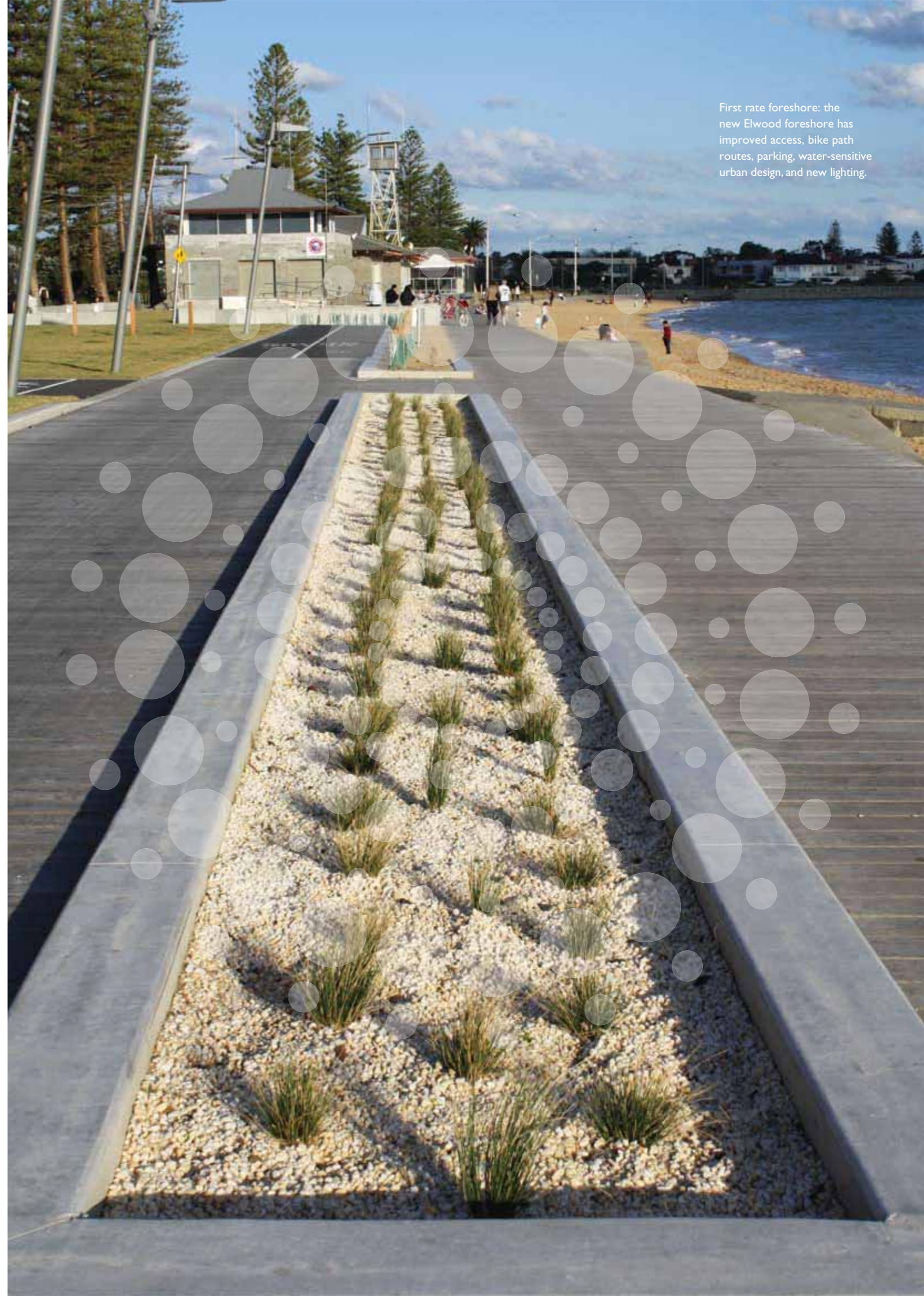
Half the sky: over 250 women packed into the South Melbourne Town Hall for an inspirational and informative high tea to celebrate International Women's Day in March.



Boardwalk by the bay: the first stage of the St Kilda promenade upgrade was launched in September. With wide paths and magnificent boardwalks, the promenade is popular for both strolling and rolling – and taking in the view.



Plenty to smile about: Albert Park / Middle Park received an award for being the friendliest neighbourhood according to a 'smiles-per-hour' study. Pictured are Nancy Price, Jo Woods, Loryn Clarke, Wendy Patton, Teresa Warren and Estell Carew. Nancy is holding the 'Community Pulse Outstanding Smile Spy Award' and the perpetual plaque is the '2008 Friendliest Neighbourhood Award'.



First rate foreshore: the new Elwood foreshore has improved access, bike path routes, parking, water-sensitive urban design, and new lighting.



Community crop: Veg Out Community Gardens celebrated a decade with a big dress-up party and a new gate.



Green beacon: landscaping upgrades around Beacon Cove saw the planting of 275 trees (with 83 removed), installation of 16,000m<sup>2</sup> of turf and 10,000 new plants.



Catani capers: this innovative children's play equipment is now a feature of the majestic Catani Gardens thanks to grant funding from state and commonwealth governments.



Sparks luminous: Valerie Sparks, recipient of the second Rupert Bunny Fellowship, was the first artist-in-residence at the Alliance Française. Luminist, her exhibition of massive digitally enhanced photographs, re-imagined local landmarks in vivid hyper-real detail.



Celebration of a generation: Seniors' Week in Port Phillip was celebrated with a festival of events and activities ranging from cabaret to Brahms, trugo to tea, writing to trivia. Lesley Grant and Colin Jones were two of the seniors' writing competition winners. The other winners were Patricia Ryan and Bev Kermond.



Portraits of friendship: Grade 5 – 6 students at St Kilda Primary School sent self-portraits to students in Suai, East Timor, as a gesture of friendship.



Health check a shot in the arm: 2,800 inspections by Environmental Health Officers of the city's 1,200 food outlets have helped lift the food safety compliance to a record high level. 9,072 vaccines were administered to 3,093 clients at 70 community immunisation sessions.



Business matters: over 450 local business people celebrated business excellence in Port Phillip at the 2008 Citi Power Port Phillip Business Excellence Awards Gala at St Kilda Town Hall.



Emergency gift: the council presented two new vehicles to the St Kilda SES. The two trucks, a 4x4 Toyota HiLux and Isuzu truck, replaced vehicles that were 'old enough to vote'.



Park ping pong: West St Kilda residents used a Small Poppy Neighbourhood Grant to put a ping pong table in their local park.

Out of the ashes: Numburindi Dancers, a renowned dance troupe from East Arnhem Land, danced on St Kilda Beach in a goodwill gesture to help with the healing of land and people after the devastating bushfires.



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# Part I

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City of Port Phillip  
Annual Report 2008-2009



# Port Phillip's seven councillors

The 2008 council elections were held under a new ward structure, which was determined by an electoral review conducted in 2007 by the Victorian Electoral Commission (VEC). Even though the structure of the wards has changed considerably, Port Phillip still comprises seven municipal wards with one councillor elected to represent each ward.

The following councillors were elected on Saturday 29 November 2008 to serve a four-year term:

- 1 Mayor, Cr Frank O'Connor  
*Emerald Hill Ward*  
*Elected to Council in November 2008*
- 2 Deputy Mayor, Cr Judith Klepner  
*Albert Park Ward*  
*Elected to Council in November 2004*
- 3 Cr Janet Bolitho  
*Sandridge Ward*  
*Elected to Council in November 2004*
- 4 Cr John Middleton  
*Junction Ward*  
*Elected to Council in November 2008*
- 5 Cr Rachel Powning  
*Carlisle Ward*  
*Elected to Council in November 2008*
- 6 Cr Serge Thomann  
*Catani Ward*  
*Elected to Council in November 2008*
- 7 Cr Jane Touzeau  
*Point Ormond Ward*  
*Elected to Council in November 2008*

The following councillors served in the 2008-2009 financial year up until the election was held in November 2008:

- Cr Janet Cribbes, Ormond Ward, 2004 – 2008
- Cr Dick Gross, Blessington Ward, 1996 – 2008
- Cr Peter Logan, Emerald Hill Ward, 2002 – 2008
- Cr Darren Ray, Alma Ward, 1999 – 2008
- Cr Karen Sait, St Kilda Ward, 2004 – 2008





# Message from the Mayor

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Welcome to the City of Port Phillip 2008-2009 Annual Report. It is with great pleasure that we present a summary of our commitments, achievements, finances and operations over the last financial year.

Last year's election resulted in five new councillors, many of them taking public office for the first time. This has meant an enormous amount of work for councillors and I would like to acknowledge the great support councillors have received from both staff and the community.

The 2008-2009 financial year has been a story of two halves. The first half was the continuing delivery of services and projects while the second half of the year, following the council election in November, has seen major changes in both council composition and a focus on engagement with the community and building the community's trust and confidence in the council.

One of the council's most significant pieces of work following the election in November has been the development of the 2009-2013 Council Plan.

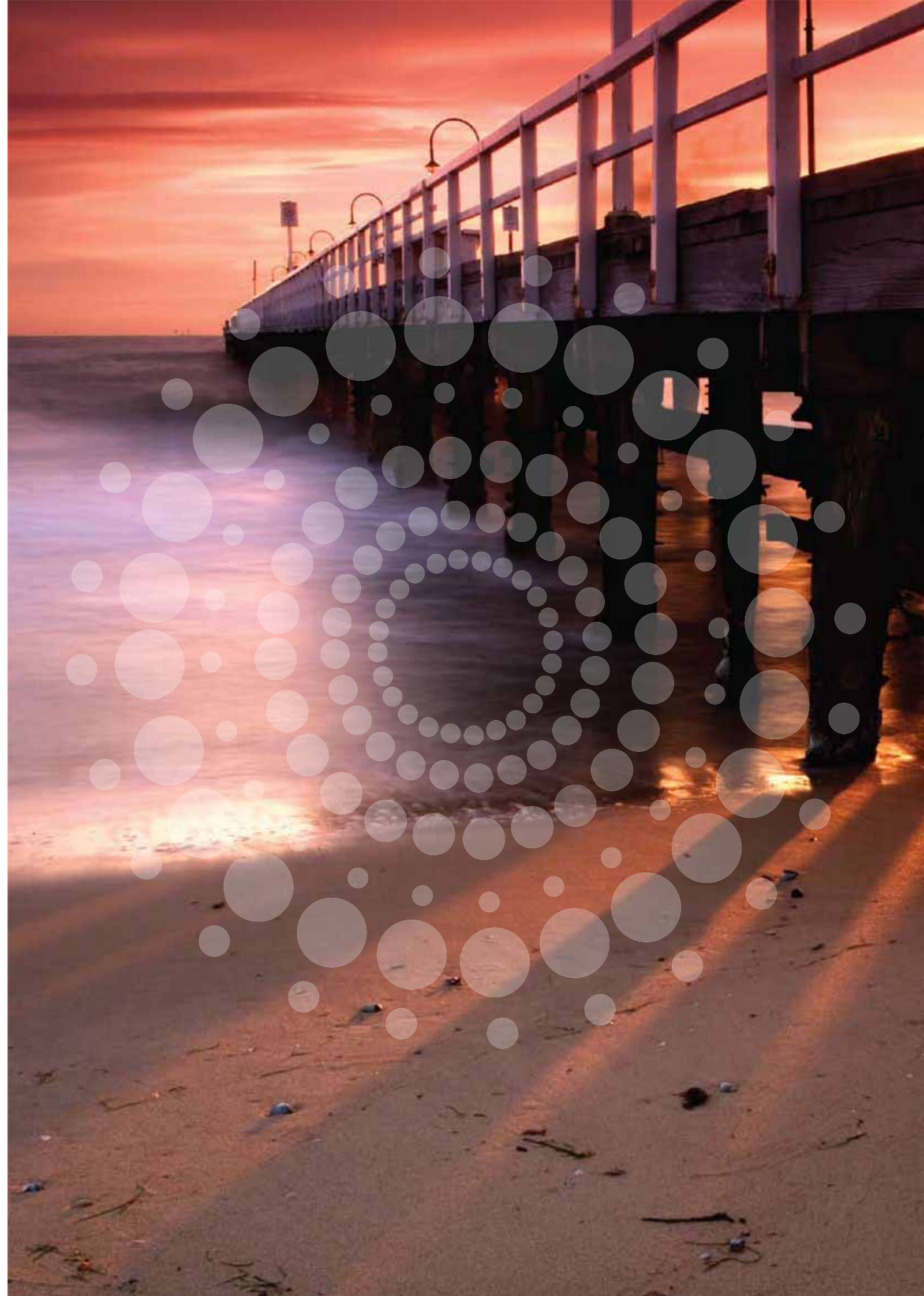
The four-year plan sets out the council's strategic directions and actions, and provides practical ways to measure our progress. It is a 'living' document, which, in partnership with the community, will be continually reviewed and improved during our four-year term.

In developing the plan, we received extensive and well considered feedback and suggestions from community consultations held in February and March 2009. This feedback has helped inform the council's four strategic directions; Engaging and Governing the City, Taking Action on Climate Change, Strengthening Our Diverse and Inclusive Community and Enhancing Liveability.

In February and March 2009 the council ran a number of 'community conversations.' We encouraged residents, traders and people of all ages including children to come and have their say about the future of our city. The council is truly committed to this type of engagement with our community. We want to 'actively' listen and take action based on community need.

I would like to personally thank all our staff and councillors who have worked so hard, and in such a united way, enabling us to achieve so much in such a short time.

Cr Frank O'Connor  
Mayor



## Chief Executive Officer's overview

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The council has made a great deal of progress this year, which provides us all with a feeling of optimism for the future.

We have been upgrading our foreshore and open spaces, improving bike paths, parking and landscaping, implementing water sensitive urban design, and improving tree management. Elwood Foreshore and our Foreshore Connections upgrades are perfect examples.

We are also creating more child places in our council run children's services, and we have upgraded a number of playgrounds including Jacoby Reserve.

Another outstanding achievement was the Federal Government's 2009 National Awards for Local Government we received for our Health and Wellbeing Plan. The award winning program has recruited many community members to form coalitions that plan, implement and evaluate dozens of projects designed to improve the community's health and wellbeing.

Protecting and renewing our historic assets has also been a priority over the last year and we have made major

upgrades to the South Melbourne Market, and the recently opened South Melbourne Town Hall Community Hub, which offers a new home to six community groups.

Managing and running the municipality effectively is a complex operation that relies on all team members for its success. The fact that Port Phillip is regarded as such an attractive and inviting place to live, work and play is due in no small part, to the efforts of the City of Port Phillip's staff of over 700 people.



Kay Rundle  
Chief Executive Officer

# Council meeting dates

## Ordinary Meeting of Council

Monday 28 July 2008  
 Monday 25 August 2008  
 Monday 22 September 2008  
 Monday 27 October 2008  
 Monday 24 November 2008  
 Thursday 18 December 2008  
*No meeting held in January 2009*  
 Monday 23 February 2009  
 Monday 23 March 2009  
 Monday 27 April 2009  
 Monday 25 May 2009  
 Monday 22 June 2009

## Strategy & Policy Review Committee

Monday 7 July 2008  
 Monday 4 August 2008  
 Monday 1 September 2008  
 Monday 6 October 2008  
 Wednesday 5 November 2008  
*No meeting held in December 2008*  
*No meeting held in January 2009*  
 Monday 2 February 2009  
 Monday 2 March 2009  
 Monday 6 April 2009  
 Monday 4 May 2009  
 Monday 1 June 2009

## Statutory Planning Committee

Monday 14 July 2008  
 Monday 11 August 2008  
 Monday 8 September 2008  
 Monday 13 October 2008  
*No meeting held in November 2008*  
*No meeting held in December 2008*  
*No meeting held in January 2009*  
 Monday 9 February 2009  
*No meeting held in March 2009*  
 Tuesday 14 April 2009  
 Monday 11 May 2009  
 Tuesday 9 June 2009

## Special Meeting of Council

Monday 11 August 2008  
 Monday 1 September 2008  
 Monday 6 October 2008  
 Monday 8 December 2008 †  
 Tuesday 27 January 2009  
 Thursday 12 February 2009  
 Monday 16 March 2009  
 Monday 6 April 2009  
 Monday 11 May 2009  
 Thursday 11 June 2009  
 Monday 29 June 2009

† First meeting of new council

# Councillor attendance

Councillor	Ordinary Council	Strategy & Policy Review Committee	Statutory Planning Committee
Janet Bolitho*	11	10	8
Judith Klepner*	11	10	8
John Middleton	6	5	4
Frank O'Connor	6	4	3
Rachel Powning	6	4	4
Serge Thomann	6	5	4
Jane Touzeau	6	5	4

\* Councillor re-elected in November 2008

# Councillor appointments to special and other committees

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## Special Committees of Councillors

Strategy & Policy Review Committee (abolished 22 June 2009)  
*All councillors*

Statutory Planning Committee  
*All councillors*

## Other Council Committees - Governance and Compliance

Inner Melbourne Action Plan Committee (Stonnington, Melbourne and Yarra Councils)  
*Mayor, Cr Frank O'Connor*

Neighbourhood Programs Committee  
*Mayor, Cr Frank O'Connor and Deputy Mayor, Cr Judith Klepner*

South Melbourne Market Management Committee  
*Mayor, Cr Frank O'Connor, Deputy Mayor, Cr Judith Klepner and Cr John Middleton*

St Kilda's Edge Committee (abolished 25 May 2009)  
*Mayor, Cr Frank O'Connor, Cr John Middleton and Cr Serge Thomann*

## Advisory Committees

Audit Committee  
*Mayor, Cr Frank O'Connor, Deputy Mayor, Cr Judith Klepner and Cr John Middleton*

Community Grants Assessment Panel  
*Cr Rachel Powning and Cr Jane Touzeau*

Community Pulse Steering Committee  
*Cr Jane Touzeau*

Cultural Development Fund Committee  
*Cr Serge Thomann*

Fitzroy Street Streetscape Plan Steering Committee  
*Cr John Middleton and Cr Serge Thomann*

Friends of Suai Community Taskforce  
*Cr Rachel Powning (reserve Cr Jane Touzeau)*

Healthy and Safer Cities Alliance  
*Cr Rachel Powning*

Hindmarsh Steering Committee  
*Cr Janet Bolitho*

Liardet Street Family and Children's Centre Project Coordination Committee  
*Cr Janet Bolitho and Deputy Mayor, Cr Judith Klepner*

Multicultural Forum  
*Cr Serge Thomann*

Multi-Faith Network Steering Committee  
*Mayor, Cr Frank O'Connor*

North Port Oval Redevelopment Community Reference Group  
*Cr Janet Bolitho and Mayor, Cr Frank O'Connor*

Older Persons Consultative Committee  
*Cr Jane Touzeau*

Port Melbourne and South Melbourne Lifesaving Club Facility Steering Committee  
*Deputy Mayor, Cr Judith Klepner and Cr John Middleton*

Rupert Bunny Foundation Subcommittee  
*Cr Jane Touzeau*

St Kilda Family and Children's Centre Project Coordination Committee  
*Cr John Middleton and Cr Rachel Powning*

St Kilda Skate Park Community Reference Group  
*Cr John Middleton and Cr Serge Thomann*

Sustainable Environment Forum  
*Cr Jane Touzeau and Cr John Middleton*

Urban Studies Centre Consultative Committee  
*Mayor, Cr Frank O'Connor*

## Council appointed representatives to external bodies

Association of Bayside Municipalities  
*Cr Janet Bolitho*

**Drugs Round Table***Cr Serge Thomann***Inner Melbourne Community Road Safety Council (Yarra, Stonnington, Melbourne Councils)***Cr Janet Bolitho***Inner South Metropolitan Mayors Forum***Mayor, Cr Frank O'Connor***Municipal Association of Victoria (MAV)***Mayor, Cr Frank O'Connor (reserve Deputy Mayor, Cr Judith Klepner)***MAV Strategic Environment Advisory Group***Cr John Middleton and Cr Jane Touzeau***MAV Human Services Portfolio Committee***Deputy Mayor, Cr Judith Klepner***MAV Melbourne 2030***Deputy Mayor, Cr Judith Klepner (no reserve)***MAV Planning Advisory Group***Deputy Mayor, Cr Judith Klepner***MAV Transport and Infrastructure Advisory Group***Cr Janet Bolitho (reserve Cr Rachel Powning)***Melbourne Sports and Aquatic Centre Advisory Committee***Mayor, Cr Frank O'Connor and Deputy Mayor, Cr Judith Klepner***Metropolitan Transport Forum – 17 Councils***Cr Janet Bolitho (reserve Cr John Middleton)***Metropolitan Waste Management Group***Cr Janet Bolitho***Port Phillip Housing Association Ltd – Board of Directors***Cr Jane Touzeau***Victorian Local Governance Association***Mayor, Cr Frank O'Connor (reserve Cr Jane Touzeau)***Other Council Committees – Governance and Compliance****Human Resources Committee***Mayor, Cr Frank O'Connor and Deputy Mayor, Cr Judith Klepner***Civic Projects and Citizens of the Year Panel***Cr Rachel Powning and Cr Serge Thomann***External Relations Taskforce***Mayor, Cr Frank O'Connor and Deputy Mayor, Cr Judith Klepner*

# The role of local government

Australia has three levels of government: federal, state and local. Local government, or council, is responsible for planning and delivering a wide range of services affecting residents, businesses, neighbourhoods and the local community. All councils have the power to make and enforce local laws and collect revenue to fund their activities.

Each Victorian council varies in some way according to its community, but all councils must operate in accordance with the Victorian Local Government Act 1989. The neighbouring local councils to the City of Port Phillip are the cities of Melbourne, Bayside, Glen Eira and Stonnington.

Within Victoria, the purpose of a council is to:

- Provide leadership for the good governance of the municipal district and the local community;
- Act as representative government by taking into account the diverse needs of the local community in decision-making;
- Provide leadership by establishing strategic objectives and monitoring their achievement;
- Maintain the viability of the council by ensuring resources are managed in a responsible and accountable manner;
- Advocate the interests of local community to other communities and governments;

- Act as a responsible partner in government by taking into account the needs of other communities; and
- Foster community cohesion and encourage active participation in civic life.

The functions of councils include the following:

- Advocating and promoting proposals in the best interests of the local community;
- Planning for and providing services and facilities for the local community;
- Providing and maintaining community infrastructure in the municipal district;
- Undertaking strategic and land use planning for the municipal district;
- Raising revenue to enable the council to perform its functions;
- Making and enforcing local laws;
- Exercising, performing and discharging the duties, functions and powers of councils under this Act and other Acts; and
- Any other functions relating to the peace, order and good governance of the municipal district.

Source: Local Government Act 1989



# Where is Port Phillip?



# What makes Port Phillip a great place to live?

The City of Port Phillip takes in a variety of urban villages close to some of Melbourne's most popular beaches. The character of the city is marked by a richness of diversity and features some of Victoria's most celebrated and innovative cultural events, recreational facilities, restaurants and entertainment venues. The municipality is located on the northern shore of Port Phillip Bay, south of the Melbourne CBD, Victoria.

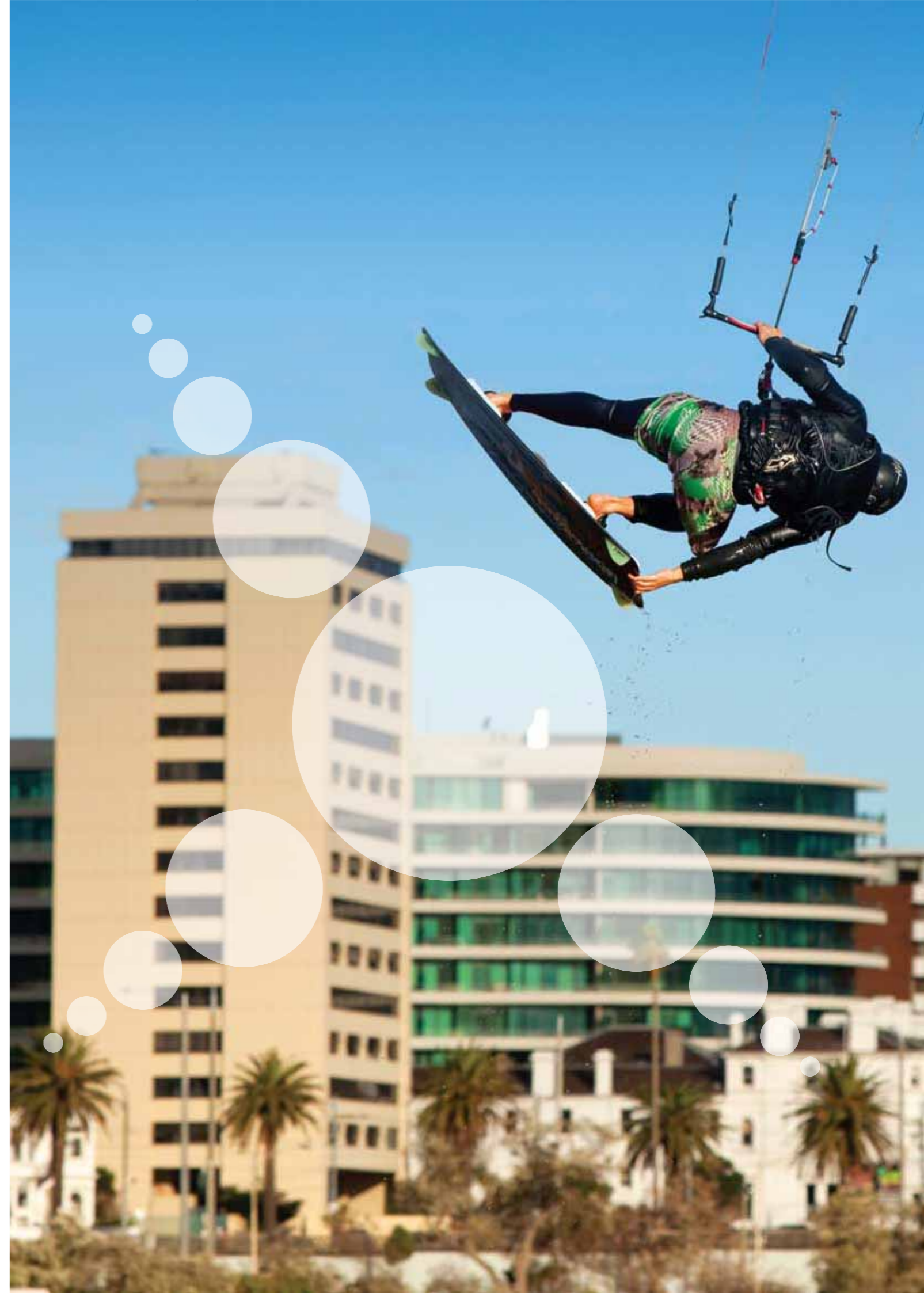
The Port Phillip community has:

- High levels of involvement in community-building
- High levels of education
- Low unemployment

Actual	Total estimated population in 2007 <sup>o</sup>	91,931
	Average household size in 2006 <sup>†</sup>	1.88
	Declared rates (2008-2009)	\$73,680,000
Number of	Private occupied dwellings in 2006 <sup>†</sup>	43,728
	Rateable properties	61,102
	Non-rateable properties	519
	Commercial/industrial buildings	6,680
	Maternal and Child Health Centres	5
	Community Centres	14
	Pre-schools	10
	Primary Schools	9
Total	Secondary Schools	7
	Area of land	20.62 sq km
	Beaches	9 km
	Parks and Open Space	176 ha
	Length of roads	221 km
	Length of bike paths	63.5 km
	<i>Significant sites:</i>	
	Aboriginal*	3
	European heritage <sup>Δ</sup>	163

<sup>o</sup> Source: The Australian Bureau of Statistics / <sup>†</sup> Source: Census of Population and Housing 2006 /

\* Source: Aboriginal Affairs Victoria / <sup>Δ</sup> Source: Victorian Heritage Register



# Where your money is spent

Expenditure Summary	
Ageing and Community Care	5.72%
Animal Management	1.08%
Arts and Festivals	3.83%
Beach Cleaning	1.10%
Borrowing Costs (Debt Repayment and Interest)	0.59%
Building Maintenance	5.42%
Business Support and Tourism Services	1.09%
Capital Works Planning and Management	2.48%
Communications and Public Relations	1.25%
Community Liaison (ASSIST)	1.76%
Corporate Services	16.55%
Environmental and Place Management	1.52%
Family, Children and Youth Services	10.82%
Insurance and Metropolitan Fire Board Levy	2.56%
Library Services	3.69%
Parking Enforcement	6.85%
Parks and Open Space Management	5.94%
Planning and Building Services	4.72%
Property Valuations and Rating Services	1.90%
Public Health Services	1.34%
Roads and Footpath Maintenance	3.89%
Rubbish Collection	2.76%
Social Planning and Policy	1.78%
South Melbourne Market	2.36%
Sport and Recreation	1.42%
Street Cleaning	3.29%
Sustainable Transport and Traffic Management	1.38%
Waste Management and Recycling	2.91%
	<b>100.00%</b>

# 2008-2009 Service outcomes at a glance

<b>Environmental Health</b>	
Registered premises inspections	2,968
Food samples analysed	265
Prescribed accommodation inspections	156
Hairdresser, tattooist and beauty parlour inspections	179
Discarded syringes collected through syringe disposal containers and the Community Clean-up program	45,096
<b>Public Health Service requests (general):</b>	
Public health nuisance	338
Food related	170
Community immunisation sessions	66
Attendances by infants/children to immunisation sessions	2,539
<b>Maternal and Child Health</b>	
Total Births	1,303
<b>Aged and Disability Services</b>	
<b>Hours:</b>	
General home care	34,084
Meal preparation	279
Personal care	9,722
Home maintenance service	3,404
Respite care – individual visits	3,984
Respite care total hours	8,781
Shopping	10,755
Core social support hours	11,350
High priority social support hours	7,604
Delivered meals	59,271
Centre based meals	1,106
Meals subsidised	80,883
Total meals provided	136,083
Community bus (trips)	22,645
<b>Planning Applications</b>	
Total approved	1,101
Cancelled	26
Forwarded to responsible officer	1
No permit required	16
Notice of decision	329



Refusals	42
Vacated	40
Lapsed	24
<b>Libraries</b>	
Programs run	619
Program attendees	43,601
St Kilda Library:	
Loans	605,038
Visits	354,902
Albert Park Library:	
Loans	160,091
Visits	138,996
Emerald Hill Library:	
Loans	34,134
Visits	48,387
Middle Park Library:	
Loans	18,440
Visits	30,153
Port Melbourne Library:	
Loans	108,784
Visits	115,648
Inter Library Loans	4,365
<b>Community Centres</b>	
Total number of centres	11
Visitors	155,314
Bookings	9,669
Permanent group bookings (HACC, Community Groups)	130
Permanent semi commercial	35
Casual hire	709
<b>Other facilities</b>	
Number of bookings:	
Wattie Watson Oval	287
Esplanade Oval/cricket ground	220
Head Street cricket ground A	185
Head Street cricket ground B	142
Peanut Farm Oval	367
Alma Park Oval	287
Lagoon Oval	250
Anderson Oval 1	131
Anderson Oval 2	130
G.S.Williams Oval	105
A.T.Aanenson Oval	135
J.M.Woodruff Oval	129
North Port Oval	194
Synthetic Pitch	119

<b>Infrastructure Development</b>	
Annual road resurfacing	\$1.5m
Annual maintenance	\$14.68m
Roads to Recovery Funding	\$186k
<b>Infrastructure Maintenance</b>	
Length of roads maintained	208 km
Area of ovals mowed (during sports season)	17 ha/wk
Reserves and gardens maintained	159 ha
Vehicles maintained	147
Waste collection pickups (bins per week)	34,855
Recycling collection pickups (bins per week)	29,586
Hard and green waste collection (booked per month)	782
Drainage pits inspected	9,451
Playground inspections	1,794
<b>Municipal Laws</b>	
<b>Animal registrations</b>	
Dogs	5,278
Cats	3,215
<b>Impounded</b>	
Dogs	245
Cats	214
<b>Service requests</b>	
Stray cat (feral or trespassing)	84
Dogs (wandering at large)	53
Dog attack	60
Barking dog	274
Parking complaint (officer)	69
Abandoned vehicles	971
Unightly property	106
Commercial and business litter	173
Construction site litter	98
Other litter	132
<b>Permits issued</b>	
Disabled - Blue	861
Disabled - Green	52
A-frames	567
Bulk rubbish containers (Skip Bins)	1,840
<b>Infringement notices</b>	
Parking Enforcement	174,398
Local Law	474
Animal Management	86

# Inner Melbourne Action Plan (IMAP)

## WORKING COLLABORATIVELY TOWARDS OUTCOMES FOR THE REGION

The Inner Melbourne Action Plan (IMAP) is a joint initiative of the Cities of Port Phillip, Melbourne, Yarra and Stonnington which sets out 11 regional strategies and 57 actions to address one simple objective: 'to make the Inner Melbourne Region more liveable'. Since adoption in 2006, IMAP has worked collaboratively with state government and private industry to advance its objectives. Some of the successful outcomes of the IMAP project include:

- The Inner Melbourne Statement of Significance 'Liveable Walkable Melbourne – The Structure, Character and Significance of Inner Melbourne' documents a common understanding of these characteristics of the region to inform future decision making and policy development
- IMAP has completed the identification of bicycle path 'gaps' in the region and prioritisation of the bicycle network based on cyclists' use. IMAP councils have also committed additional resources to close gaps on key routes on the network. Work is being undertaken to implement separation and delineation treatment and best practice cycling standards to improve the regional experience for cyclists
- Planning for a regional approach to parking management across the Inner Melbourne Region taking into consideration the economic, environmental, streetscape, travel patterns and traffic impacts of different on and off-street car parking arrangements. Guiding principles have been developed to focus on a Sustainable Transport Framework and Integrated Travel Plans
- Partnerships with Melbourne Universities and TAFEs to define and develop a stronger role in regional

development. The City of Melbourne's Office of Knowledge Capital (OKC) and IMAP held a 'round table' discussion on the proposed Councils Hosting Universities in Melbourne (CHUM) initiative identifying key themes of; Economic Development, Quality of Life, Shared Resources and Service Coordination

- Research to establish common greenhouse emissions, water and waste targets and programs for the region and from this research have developed standardised baseline methodologies, particularly of greenhouse emission baselines and commissioned a one off audit of all available waste, water and greenhouse programs available to residents and small to medium enterprises in the IMAP region
- Looking at ways to reduce water use in Inner Melbourne park lands with the release of 'Water Management for Open Space'. This is a 'toolkit' of best practice for water reduction, reuse and recycling options for park lands. A regional project to identify water efficiency opportunities and consider the most effective opportunities for use of non-potable water supplies has been completed.

IMAP will continue to deliver prioritised outcomes for the region, in particular investigating affordable housing solutions, environmental (water, waste and greenhouse) improvements and advocating for and implementing sustainable transport initiatives with the one simple objective of: 'Making Melbourne More Liveable'.

For more information contact Alison Fitzgerald IMAP Implementation Officer [afitzger@stonnington.vic.gov.au](mailto:afitzger@stonnington.vic.gov.au) or go to [www.imap.vic.gov.au](http://www.imap.vic.gov.au)



# The council's strategic direction

The 2005-2009 Council Plan established the strategic direction for the organisation. The plan identified six strategic objectives the council set for itself at that time to focus on over its four year term as well as a range of annual objectives designed to assist in the achievement of these challenges.

This section of the 2008-2009 Annual Report outlines how the council performed against these objectives.

## Strategic objective one – Renewing our special places

*Are we looking after our special places such as the foreshores, town halls and commercial strips?*

Strategic indicators	07-08 result	08-09 result	Comments / status
Progress on major projects:			
St Kilda Road open space components	Not complete	Not complete	St Kilda Road Tree Enhancement program is currently underway with planting to commence in August 09
Environmental audit of Gasworks Park	Not complete	Not complete	Stage 1 of audit completed in August with further stages required to enable development of a remediation plan
Project manage St Kilda Promenade construction	Complete	Complete	
St Kilda Town Hall construction	Complete	Complete	
Community satisfaction with local roads and footpaths as adequate or better	71%	71%	Department of Planning and Community Development (DPCD) Community Satisfaction Survey
Community satisfaction with town planning policy and approvals as adequate or better	38%	45%	DPCD Community Satisfaction Survey

## Other achievements

- Introduction of new Heritage Controls for Nightingale Street Precinct, Balaclava (Amendment C68)
- Introduction of Mandatory Height Limits for Ormond Road, Elwood (Amendment C57)
- Updating and refinement of Heritage Controls across Port Phillip (Amendments C70, C74 and C76 and Review of Heritage Overlay 3)
- Preparation and community consultation on Draft Carlisle Street Activity Centre Structure Plan and Urban Design Framework
- Preparation of Draft Local Planning Policy Framework for Port Phillip Planning Scheme for community consultation in 2009-2010
- Improved liaison and operational relationship with Victoria Police in relation to night life/entertainment precinct issues.

## Strategic objective two – Strategic collaboration and partnership

*Are we working effectively with all neighbours and all stakeholders to get the best outcomes for our city and ensure our top issues are factored into all levels of decision making?*

Strategic indicators	07-08 result	08-09 result	Comments / status
Community satisfaction with the council's advocacy and community representation on key local issues as adequate or better	51%	62%	DPCD Community Satisfaction Survey

## Other achievements

- Family and Children's Services continued to build relationships and work in partnership with the network of community service organisations and the Department of Community Services who form the Child FIRST Alliance for the inner/middle sector of the southern metropolitan region. This Alliance supports vulnerable children and families, particularly those at risk of abuse, through a central intake and support system
- The Aged and Disability Managers Group successfully applied for funding to progress the implementation of the Active Service Model in the southern region. This will further develop partnerships with community health providers and Home and Community Care staff in a restorative, capacity building model of care
- Ongoing advocacy and submissions to state and federal government in relation to housing affordability and accessible housing
- Partnered with Toyota Community Spirit Program to complement the council's Community Group Training Program. Toyota sponsored the "Strategic Skills Mentoring Program" which supports community organisations and groups
- Conducted consultations with local businesses to build relationships and interest for the development of a Port Phillip Community Trust Fund. Part of council's strategic direction, this project is designed to build collaborative resourcing for the city's community services
- Developed a Pilot "Hybrid Funding Model" as part of the Community Grants Program where longer term funding was trialled with community organisations

- The Local Government Enterprise Content Management (ECM) Project was progressed. As a member of the Steering Committee, the council's Information Management Group is leading the work to increase compliance and efficiency in the areas of legislative and legal requirements for records and content management for all Victorian councils. The first achievement of this long-term project is the development of a step-by-step capacity and building program for ECM
- The Local Government Information and Communication Technology (ICT) Collaborative Disaster Recovery Project was progressed. The council is a member of the pilot group leading the sector wide work to improve local government's approach to disaster recovery, including better whole-of-council planning, more efficient use of infrastructure and resources, shared hosting arrangements and development of case studies.
- The City of Port Phillip's Friends of Suai continued its work to support community capacity building and local facilities in Suai, East Timor in the following ways:
  - The Timor Leste Textiles exhibition, forum and market was held at St Kilda Town Hall Gallery in September. The exhibition of hand woven textiles of East Timor was attended by several hundred people and organised in partnership with Alola Foundation, East Timor Women's Association, Melbourne East Timor Activities Centre and East Timor friendship groups
  - Fundraising achieved \$50,000 for the first Suai Public Secondary School library
  - Five volunteers were recruited to travel at their own expense to train English language teachers in Suai in 2009
  - Funds were provided to four Suai trainees in computer software and hardware at Info Timor to enable refurbishing of computers and use of internet. The council donated and recycled old computers for use in this program
  - Successful negotiations were held to establish access to national news service and internet cafés set up at the youth centre and community centre in Suai
  - Sponsorship was provided for training in digital photography for members of YoMatre Youth Media and Radio Taroman Community Radio. The group exhibited their photographs at the youth centre and the Suai Market as part of Independence Day celebrations
- 2008 Citipower Port Phillip Business Excellence Awards Program was successfully delivered as part of the council's ongoing business development program. It attracted record numbers of submissions and nominations with over 450 business representatives attending the Business Excellence Awards Gala Night in October
- In response to the current economic climate and requests from local businesses, the council hosted the Recession Strategies for Business Forum with almost 600 local business owners and residents attending. A follow up workshop for a smaller number of business owners covered the issue in more detail
- As part of the Port Phillip Business Development Program, the council partnered with state government, ION Group and Competitive Edge to run a series of business growth programs for local businesses including Optimise Your Business, E Commerce, Business Planning and Tourism Accreditation. Over 40 local businesses have been part-funded by Business Victoria through the 'Grow Your Business' grants. The Tourism Accreditation program was fully funded by the council
- Port Phillip Small Business Mentoring Program was introduced as a free service to local businesses providing practical advice on a wide range of issues such as marketing, management, planning and finance. The program is delivered in partnership with Small Business Mentoring Service and funded by the council. Over 40 businesses have used the service since February and the program is usually fully booked two months ahead.

### Strategic objective three – Building a better environment

Are we improving the city's environmental performance and sustainable transport choices?

Strategic indicators	07-08 result	08-09 result	Comments / status
The council's corporate water consumption per annum	144 Mega litres	150 Mega litres	Water consumption marginally increased
Proportion of places filled in the Sustainable Living at Home program	100%	86%	86 places filled from 100 on offer
Annual residential waste generation per capita	229 kg	211 kg	Port Phillip residents produced an average of 211 kg each of waste in 08-09, the lowest volume on record and 35 kg less than in 97-98
Annual residential recycling rate per capita	39%	40.8%	Recycling rates per capita rose to more than 40% for the first time, compared with 31% a decade ago
Percentage of primary aged school children participating in the Walking Bus Scheme	29%	30%	As a percentage of all participating primary school children
Net increase in number of street trees	346	259	As recorded via the Tree Contract
Community satisfaction with the appearance of public areas as adequate or better	70%	67%	DPCD Community Satisfaction Survey
Community satisfaction with traffic management and parking facilities as adequate or better	57%	56%	DPCD Community Satisfaction Survey
Community satisfaction with waste management as adequate or better	84%	86%	DPCD Community Satisfaction Survey

#### Other achievements

- Family and Children's Services received confirmation of federal funding of \$1.6 million for an integrated Family and Children's Centre at St Kilda and Port Melbourne
- Family and Children's Services department received state funding of \$500,000 for the St Kilda Family and Children's Centre and confirmation of \$1.2 million for the Liardet Street Family and Children's Centre
- Continued to promote environmentally sensitive design for all developments requiring planning approval
- St Kilda Harbour process was completed with general community group support
- City of Port Phillip was a co-winner of the Surveyor's Municipal Excellence Award
- Efficiency of the council's fleet has improved through refinements made to the fleet policy encouraging staff to switch to more environmentally friendly vehicles.

**Strategic objective four – Creating the conditions for community**

*Are we promoting connection, inclusion and engagement? Are we encouraging people to contribute and participate?*

Strategic indicators	07-08 result	08-09 result	Comments / status
Community Grants Scheme participation	19.2%	9.7%	Annual program completed
Culturally and linguistically diverse (CALD) residents participating in the Community Meals Program	2,324 people	49.6%	This represents the percentage of total annual meals subsidies
Percentage of relevant Municipal Early Years Plan actions achieved	100%	100%	All actions achieved
Number of additional childcare places available within municipality:			
North St Kilda Children's Centre	Increased 25 child care places	No additional places in 08-09	The Clarendon St feasibility study is complete
Ada Mary A'Beckett Children's Centre	Retained 16 and increased 33 child care places		The St Kilda and Port Melbourne plans are continuing
Progress on the residential care sector	44 new high care places and 1 new low care place allocated	No new allocation this year as allocation takes place every two years	The state government's progress in establishing the St Vincent's Boys Home site as a Land Bank project (i.e. state government acquires the site and leases it to a not-for-profit provider of residential care) has been proceeding very slowly. The ability for any residential care to be developed is currently financially difficult due to the level of funding
Number of community housing units in the community housing program	470	472	Total number of Port Phillip community housing units developed by the Port Phillip Housing Association (including units formerly developed by the council)

**Other achievements**

- Family and Children's Services completed implementation of childcare waitlist for four council managed and six community managed children's centres
- Received international recognition for the council's Municipal Early Years Plan, a major initiative for Family and Children's Services. Part of this recognition included the council's Coordinator Family and Children's Services, being invited to present a paper at the Asia Pacific Child Friendly Cities Conference in Japan
- Refurbishment project of Elwood Playgroup at Broadway Community Centre



- Vacation Care Program achieved accreditation with the National Childcare Accreditation status for the first time
- Community Care implemented the extension of the Community Bus Service to include Port Melbourne, Garden City and Beacon Cove
- Maternal and Child Health nurses commenced new state-wide Key Age and Stage training
- Ongoing advocacy and submissions to state and federal governments on housing affordability and accessible housing
- Inaugural Civic Awards Luncheon hosted by the council and 2008 Awards recipients to mark National Volunteers Week in May
- Inclusion of the first "Seniors Award" category within the Civic Awards Program
- Councillors and the Mayor attended a luncheon with the community, hosted by Port Philip Citizens for Reconciliation marking Sorry Day in May
- Council membership on the Urban South Local Indigenous Network
- New website launched for the Port Melbourne Family and Children's Hub
- Pilot "Hybrid Funding Model" developed as part of the Community Grants Program to provide secure funding and service delivery for some of our most disadvantaged community members
- A successful feasibility study undertaken with state government to establish part of the St Vincent's Boys Home site as a state government Land Bank project to extend the number of residential care (nursing home) places in Port Phillip
- Linking Neighbours/Seniors Register project extended to South Melbourne
- Two forums were held in conjunction with the Older Persons Consultative Committee on financial and legal issues
- A report on the implementation of the Ageing Well in Port Phillip Strategy 2006-2016 went before the council
- Received national award for cultural excellence for the Port Phillip and Obu (Japan) Sister Cities Program, fostering understanding of cultural differences
- Hosted community delegation visit from Obu in February 2009 as part of the 15th anniversary celebrations for the Obu Sister City Agreement. Five Obu officials and 35 community delegates participated in cooking and drumming workshops with Port Phillip residents, as well as visiting many local attractions
- Friendship relationship established with Hindmarsh Shire Council to foster relationships and understanding with a Victorian rural and drought affected community
- Integrated cashing services with ASSIST to improve customer service by eliminating separate queues for service transactions and payments

- Four community forums were held for local residents to come together and examine different perspectives on public policy issues:
  - Women and Financial Security with Trish Power
  - Participatory Democracy and Community Leadership with Jim Diers (USA)
  - Human Rights with Julian Burnside QC and Professor Mirko Bagaric
  - Women and Urban Planning with Carolyn Whitzman, Kellie Burns and Janet McGaw
- Small Poppy Neighbourhood Program funded six projects run by local residents volunteering their time and skills to make neighbourhood improvements. These projects included:
  - nature strip improvement in front of three apartment blocks in South Melbourne
  - community gardening project in East St Kilda to build drought-resistant garden
  - community gardening project with local families at Skinner's Playground
  - nature strip community gardening project in Elwood.

### Strategic objective five – Better local services in community centres

*Are we providing popular, local community centres where people can access services and participate in community life?*

Strategic indicators	07-08 result	08-09 result	Comments / status
Volunteer vacancies that appeared in the volunteer register on the council's website	253	187	Average per month
Community rating on range of options for leisure, recreation & entertainment facilities as adequate or better	90%	85%	DPCD Community Satisfaction Survey
Number of new additional groups and activities introduced into community centres	13 new activities 5 new groups	28 new groups	Community Facilities 08-09 stats comprise of 10 playgroups, 7 community groups, 7 semi commercials and 4 special interest i.e Muslim women's group, U3A groups and a children's meditation group
Utilisation of community centres and community facilities	66%	65%	

#### Other achievements

- Development of Betty Day Centre completed
- Development of South Melbourne Town Hall completed with services and community programs now operational at the venue and housing six community organisations
- Radio Frequency Identification (RFID) Feasibility Study completed in February 2009.

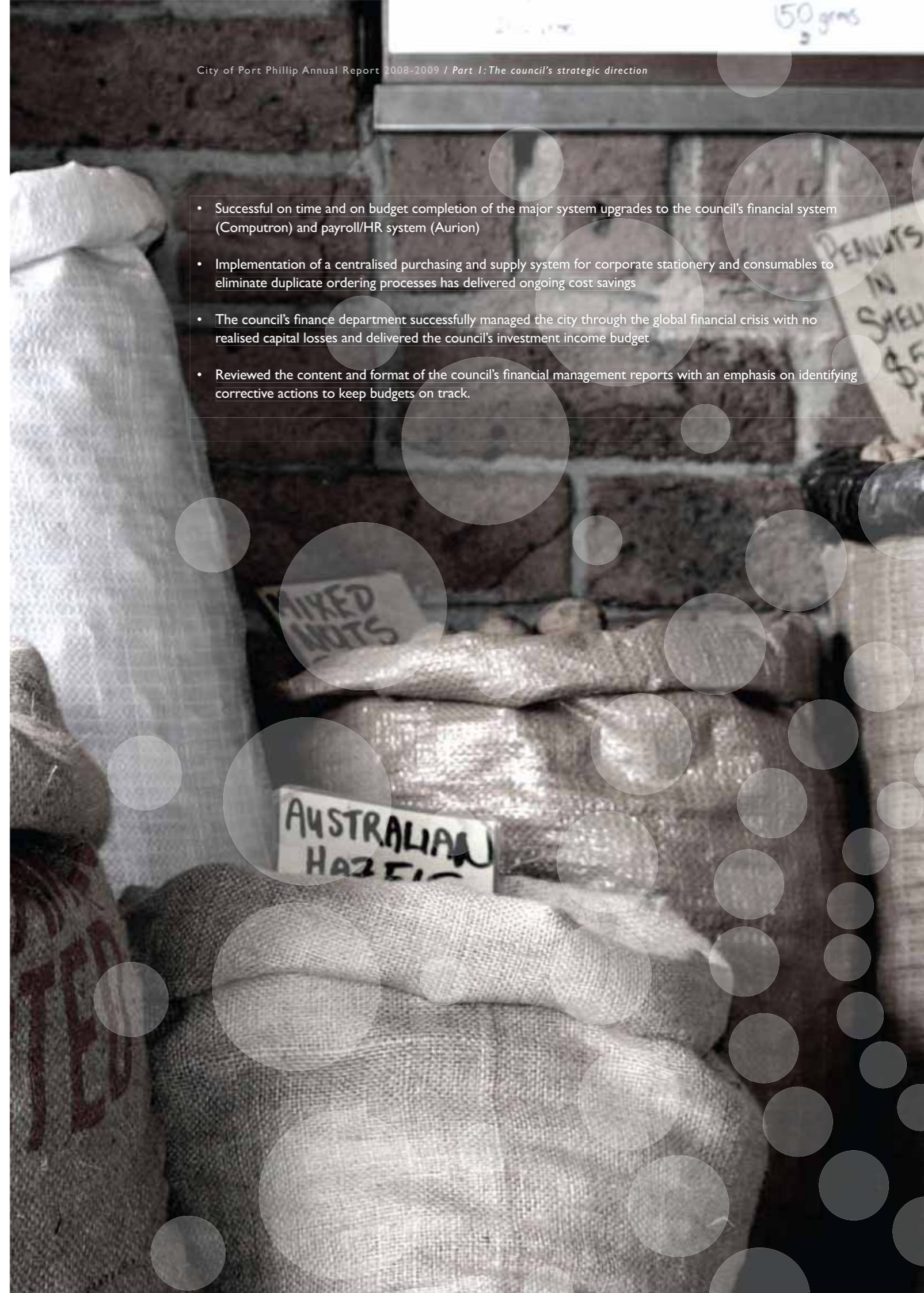
**Strategic objective six – Effective service and council stewardship**

Are we providing services when and where they are needed? Are we laying the foundations today for an even better council in the future?

Strategic indicators	07-08 result	08-09 result	Comments / status
Debt Commitment Ratio (ratio of debt servicing and redemption costs to rate revenue)	6.99%	1.19%	As per annual financial statements note 41
Community who consider value for money rates as adequate or better	62%	63%	Council initiated independent survey
Community satisfaction with general overall performance of the council as adequate or better	50%	55%	DPCD Community Satisfaction Survey
Customer requests closed each quarter within the allocated period under the Customer Request Management System guidelines	94%	98%	Results gathered from internal Customer Request Management System
Community satisfaction with health and human services as adequate or better	88%	86%	DPCD Community Satisfaction Survey
Community satisfaction with recreational facilities as adequate or better	90%	85%	DPCD Community Satisfaction Survey
Community satisfaction with enforcement of local laws as adequate or better	71%	70%	DPCD Community Satisfaction Survey
Community satisfaction with economic development as adequate or better	78%	70%	DPCD Community Satisfaction Survey

**Other achievements**

- Revised service standards were issued to the community in the form of a publication titled "Our Service Promise to You". This document outlines 29 public commitments about the services most valued by the community. During 2008-2009, 75% of promises were either met or within 10% of target
- The council's customer service centre, ASSIST, improved its service performance with 96% of telephone calls being answered within 30 seconds in the final quarter of 2008-2009
- Cashier and general customer service functions were integrated at all council service desks (St Kilda, South Melbourne and Port Melbourne) to enable a single point of contact
- The new council website and intranet were launched in June 2009
- 85% of community members who sought information or made a service request were contacted by a council officer within one working day
- Commencement of SPEAR (electronic lodgement for subdivision permit applications)



- Successful on time and on budget completion of the major system upgrades to the council's financial system (Computron) and payroll/HR system (Aurion)
- Implementation of a centralised purchasing and supply system for corporate stationery and consumables to eliminate duplicate ordering processes has delivered ongoing cost savings
- The council's finance department successfully managed the city through the global financial crisis with no realised capital losses and delivered the council's investment income budget
- Reviewed the content and format of the council's financial management reports with an emphasis on identifying corrective actions to keep budgets on track.

# Organisational details

## Executive team profiles

**Community Development and Planning**  
Executive Director: Mr Geoff Oulton

Service Units:

- City Development
- Community Development and Participation
- Culture and Recreation
- Economic Development and Tourism
- Environment and Renewal
- Parking, Health and Enforcement

**Organisation Systems and Support**  
Executive Director: Ms Sally Calder

Service Units:

- People and Culture
- Corporate Planning and Performance
- Information Management Group
- Governance and Risk Management
- Customer Service
- Communications and Stakeholder Relations

**Community Assets and Services**  
Executive Director: Mr David Yeouart

Service Units:

- Asset Services
- Building Services
- Infrastructure Services
- Community Services
- South Melbourne Market
- Parks and Open Space

**Finance and Investments**  
Chief Financial Officer: Mr David Filmlter

Staff Profile	
<b>Breakdown by employment status</b>	
Full time staff	450
Part time staff	268
<b>Breakdown by gender</b>	
Male staff members	266
Female staff members	452
Total staff	718
<b>Professional Development and Training</b>	
Professional development/information systems sessions	34
Number of participants	336
Accredited training programs offered	5
Number of participants	61
Equal Employment Opportunity Sessions held	6
Number of participants	82
<b>Employee Assistance Program</b>	
Staff using the service	31 (plus 2 family members)
Hours of service provided	72
<b>Work and Life Balance</b>	
Study leave hours	223.6
Staff receiving study leave	5
Wellness Program sessions held (Yoga, Pilates, walking groups)	74
Number of participants	268
<b>Occupational Health and Safety</b>	
Standard Workcover claims	10
Staff affected	10
Port Phillip's Workcover premium	1.5645%
Victorian average Workcover premium	1.4818%

# Organisational structure

The new council is currently undertaking an organisational review. The organisation chart below was the structure as at 30 June 2009.





# Governance and accountability

## **Audit committee and internal audit**

As part of its duty to fulfil governance obligations to the community, the council established an audit committee in December 1995. The audit committee develops an annual internal audit program to address the risks that the organisation may confront. This program is endorsed by the council.

The audit committee membership consists of external and internal representatives. The Chief Executive Officer also attends the meetings and the council's internal auditor attends to present audit reports and provide advice to the audit committee.

### **External representatives:**

Ray Liggett is a director of a private consulting and investment company, chair or member of four council audit committees and has held senior positions in a major national company. He receives \$6,000 per annum for his role as chairperson.

Susan Pelka is a trustee of the Melbourne Exhibition and Convention Centre, Chairperson of its Risk Committee and member of its Finance and Audit Committee. Ms Pelka was previously Head of Governance, Risk and Compliance for ANZ Banking Group's Shared Services Operations. She receives \$5,000 per annum for her role on the committee.

### **Internal representatives:**

The Mayor and the Deputy Mayor of the City of Port Phillip are the internal representatives on the committee. In March 2009, the council amended the Terms of Reference of the Audit Committee, which amongst other things required a third councillor to be added to the membership.

During 2008-2009, the committee met on five occasions.

The audit committee and the internal auditor are key elements of the council's system of checks and balances. All Victorian councils are externally audited on an annual basis by the Victorian Auditor-General.

All councils must comply with the requirements of the Local Government Act 1989 and other pieces of legislation, and are required to provide the Minister for Local Government with detailed reports, including an annual report, budget and council plan.

These measures are in place to ensure that councils are accountable to their stakeholders including residents, ratepayers, business and government.

# Statutory statements

## Victorian Equal Opportunity Act 1995

The City of Port Phillip is an equal opportunity employer and commits to work in accordance with statutory requirements under the Victorian Equal Opportunity Act (1995), and federal legislation as it relates to equal opportunity.

The council's equal employment opportunity policy, 'Respect for Others' is a commitment that all individuals receive fair and consistent treatment in a work place that is free from harassment, discrimination and bullying. The City of Port Phillip is committed to an environment where employees aspire to have shared values around integrity, fairness, honesty and trust.

## Occupational Health and Safety Act 1985

The City of Port Phillip is committed to fulfilling its moral and legal responsibilities under the Occupational Health and Safety Act 1985, to provide a safe and healthy work environment for employees, contractors and visitors. This commitment extends to ensuring that operations undertaken by the council do not place the community at undue risk of injury or illness.

The council provides induction and training for staff and contractors; conducts regular Occupational Health and Safety audits and inspections of both the council premises and contractors' works. The council's continued effort in this area was recently confirmed by WorkSafe Injury Insurance data that revealed that the City of Port Phillip is currently the ninth best performing council across Victoria's 79 councils.

## Freedom of Information Act 1982

Under the Freedom of Information Act 1982, the community has the right to access certain information

held by the council. To inspect accounts documents, contact the council's Finance unit. For all other documents, contact the council's Statutory Functions unit unless stated otherwise. All enquiries regarding Freedom of Information can be directed to the council's ASSIST Centre.

Details of requests for 2008-2009 are:

Total number of requests received	32
Total number of valid requests	19
Access granted in full	3
Access granted in part	9
Access denied in full	1
No documentation found	1
Documents released outside the FOI Act	1
Requests under consideration as at 30 June 2009	4
Internal reviews sought	1
Appeals lodged with Victorian Civil and Administrative Tribunal	0
Total application fees collected	\$385.90
Total application fees waived	\$45.40

Requests for access to council documents under the Act must be in writing and should provide sufficient information to identify the particular document(s) being sought.

The Act also stipulates that an application fee must accompany each request therefore, an application fee of \$23.40 applies when processing all requests.

Principal Officer: Kay Rundle, Chief Executive Officer

## Whistleblowers Protection Act 2001

The council is committed to the implementation of the Whistleblowers Protection Act 2001. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The Whistleblowers Protection Act 2001 came into operation on 1 January 2002. The purpose of the Act is to encourage and facilitate disclosures of improper conduct by public officers and public bodies. The Act also provides protection for those who make the disclosures and those who may suffer reprisals in relation to those disclosures.

The Act also provides for the matters disclosed to be properly investigated by the Ombudsman or the nominated investigator. The Act applies to all public bodies and public officers, including councillors and council staff.

In accordance with the Whistleblowers Protection Act 2001, the following specific reporting requirements have been included in the City of Port Phillip's annual report:

Disclosures made to the council	Nil
Disclosures referred to Ombudsman for determination as to whether they are public interest disclosures	Nil
Disclosed matters referred to the council by the Ombudsman	Nil
Disclosed matters referred by the council to the Ombudsman for investigation	Nil
Investigations of disclosed matters taken over by Ombudsman from the council	Nil
Requests made under S74 to Ombudsman to investigate disclosed matters	Nil
Disclosed matters that the council has declined to investigate	Nil
Disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	Nil
Recommendations of the Ombudsman under the Act that relate to the council	Nil

The council has adopted a detailed whistleblowers protection procedures manual and specific guidelines for ASSIST and staff in Records Management. The current procedures established by the council under Part 6 of the Whistleblowers Protection Act 2001, which relates to the establishment of procedures by public bodies, are available on the council's website.

## Victorian Information Privacy Act 2000

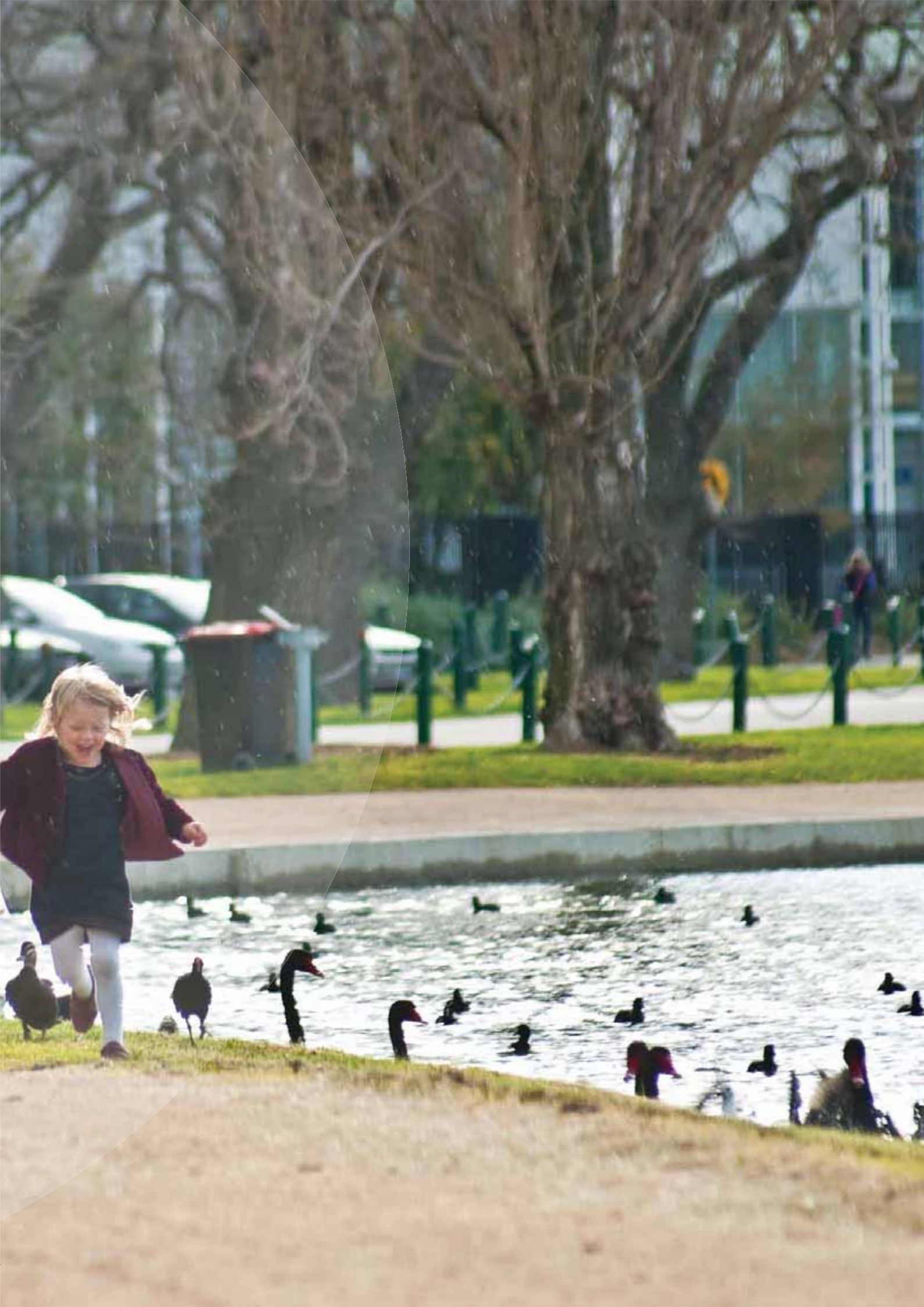
The council is committed to full compliance with its obligations under the Information Privacy Act 2000. The council's Information Privacy Policy and Guidelines are available at the council offices and on the council's website [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au). Any person who feels the council has mismanaged their personal information may make a complaint to the council's Privacy Officer on (03) 9209 6701.

# Public documents

The following documents are available for public inspection at the St Kilda Town Hall, located at 99A Carlisle Street, St Kilda. To inspect documents contact the Statutory Functions unit via the City of Port Phillip's ASSIST Centre on (03) 9209 6777. In some instances, requests may need to be in writing.

## List of documents available for public inspection

- Details of current allowances fixed for the Mayor and councillors
- Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the council or employer contribution to superannuation, the value of any motor vehicle provided by the council and the total value of any other benefits and allowances provided by the council
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or any member of the council's staff in the previous 12 months, including the names of the councillors or members of council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Names of council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings that have been closed to members of the public under section 89 of the Local Government Act (the Act)
- A list of all special committees established by the council and the purpose for which each committee was established
- A list of all special committees established by the council that were abolished or ceased to function during the financial year
- Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act
- A register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place
- Submissions received in accordance with section 223 of the Act during the previous 12 months
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A register of authorised officers appointed under section 224 of the Act
- A list of donations and grants made by the council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation and grant
- A list of the names of the organisations of which the council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the council
- A list of contracts valued at \$150,000 for goods and services and \$200,000 for carrying out of works which the council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) of the Act.



# Risk performance

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## **Risk management**

Risk management is an essential part of the City of Port Phillip's culture. The organisation is continually implementing strategies to manage its risks by maximising opportunity and minimising loss.

## **Risk awareness**

The City of Port Phillip's policy is to manage risk in accordance with best practice. We comply with the Australian standard for risk management (AS/NZS 4360:2004) and our risk management decisions and practices align with our established values and ethical standards.

Our risk management policy and risk management strategy is reviewed on a bi-annual basis. The council's fraud policy was reviewed and formalised in 2008-2009. All managers, service providers and employees are responsible for managing risk as part of their daily planning and operational processes.

## **Insurance and risk reduction**

The council's insurance policies provide coverage for the following areas: public liability, products liability and professional indemnity, industrial special risks, motor vehicle, councillors' and officers' liability, personal accident, machinery/computer breakdown and boiler explosion, marine hull, construction works and fidelity guarantee.

We are pleased to advise that this year the council has seen yet further reductions in insurance premiums and contributions. Increased risk management, along with tort reforms and other legislative changes such as the Road Management Act has assisted the council in maintaining or reducing its insurance costs.

All council departments now have their own departmental risk management plan which is reviewed and updated on an annual basis. These plans have assisted service areas in addressing risks identified as potential areas of exposure to the council, and enabled them to develop and implement suitable controls that can be integrated into the normal course of operations.



# National competition policy compliance 2008-2009

## Certification by Chief Executive Officer

Port Phillip Council has complied with the requirements of the National Competition Policy (NCP) in accordance with the requirements outlined in National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy, December 2008 for the period, 1 July 2008 to 30 June 2009 as set out below:

Trade practices compliance	Council is compliant
Local Laws compliance	Council is compliant
Competitive neutrality compliance	Council is compliant

I certify that:

- a) this statement has been prepared in accordance with the 2008-2009 National Competition Policy reporting guidelines, which is pursuant to the 2008 Statement; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy

Signed:

Kay Rundle  
Chief Executive Officer

Date: 3/10/09

# Best value principles compliance 2008–2009

The council is committed to continuously improving its services and providing value for money for ratepayers. This commitment is in keeping with the Local Government Act, which details six Best Value principles:

1. Services provided by a council must meet quality and cost standards.
2. Services provided by a council must be responsive to the needs of its community.
3. Services provided by a council must be accessible to those members of the community for whom the service is intended.
4. Council must achieve continuous improvement in the provision of services for its community.
5. Council must develop a program of regular consultation with its community in relation to the services it provides.
6. Council must report regularly to its community on its achievements in relation to the five principles above.

During 2008-2009, the council applied these Best Value principles in the following ways:

## Planning

A major focus of the incoming council was the development of the 2009-2013 Council Plan. In the interest of effective community engagement, the council elected to exceed the minimum statutory consultation requirement and held an initial consultation process in February and March on the council's proposed strategic directions. A second consultation process was held in May and June on the 2009-2013 Draft Council Plan.

The council adopted the 2009-2013 Council Plan at the end of June. This plan will guide the council's annual planning and budget cycle. It is considered a 'living' document, which, in partnership with the community, will continue to be reviewed and improved during the council's four year term.

## Performance measurement

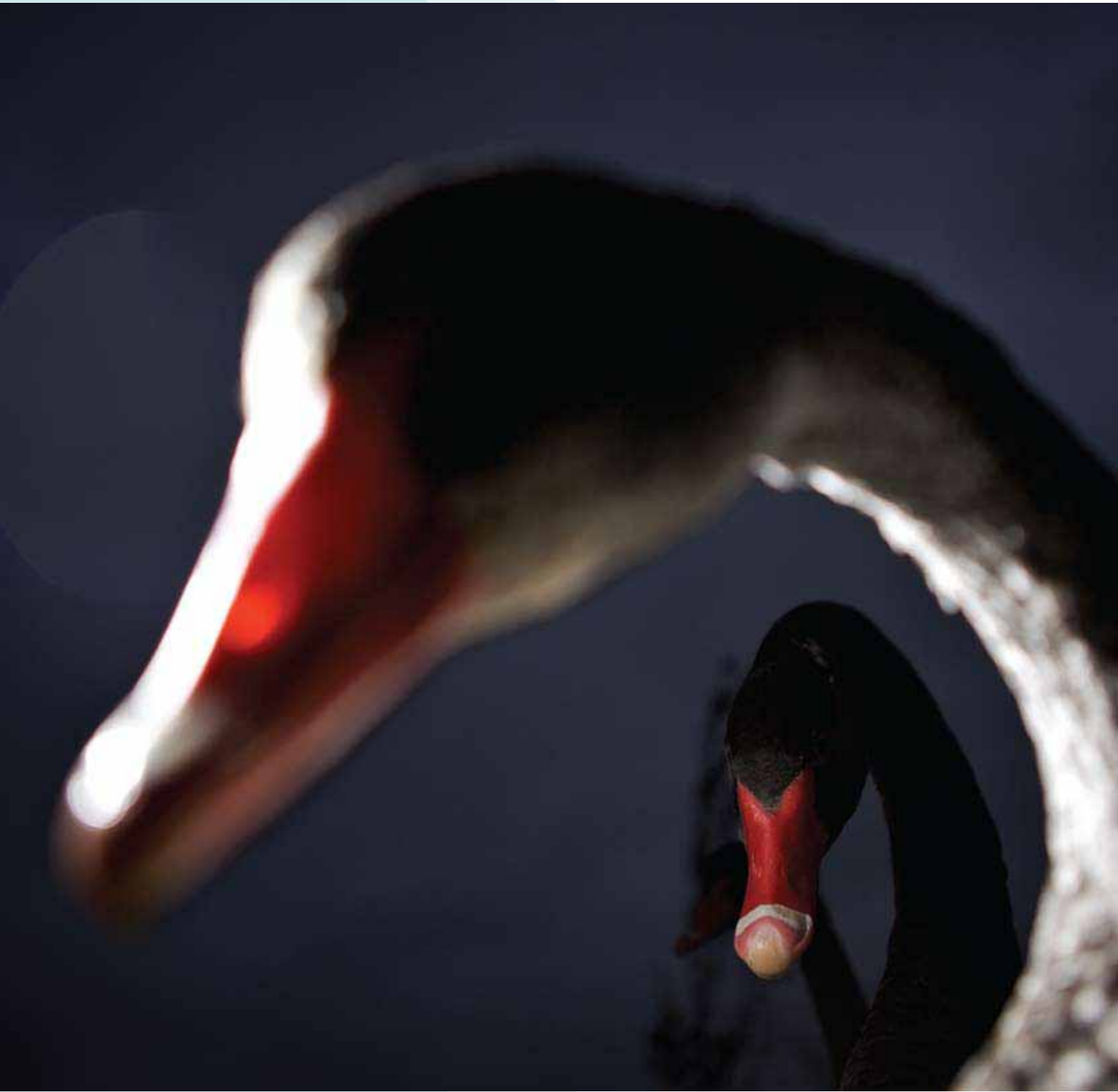
The council's approach to performance measurement is one of continuous improvement. During 2008-2009, all workgroups further developed service metrics and targets to enable them to monitor and review the quality, quantity, timeliness and cost effectiveness of their services.

The service metrics sit within a performance measurement framework that includes nine key performance indicators for the organisation. The Executive Team review these KPIs monthly and provide a report to the council on a quarterly basis. These performance reports are accessible to the community via the council's website.

## Service improvement

With improved performance data, the council has been better equipped to respond to the community's needs and improve services. In 2008-2009 the council developed a service promise for the Port Phillip community and sent a copy of 'Our Service Promise to You' to every ratepayer in the city.

The document outlines 29 promises based on the 10 services the community told us were most important. Reporting on progress commenced in December. The council's service promises will be reviewed in the next financial year to ensure currency and relevance.



## Council donations and grants to the community

Community Grants Scheme	184,448
Town Hall Hire Subsidy Scheme	85,399
Food Subsidy Scheme:	
Community groups	79,812
Community organisations	59,466
Total food subsidy	139,278
Service Agreement Program Funded Organisations	1,319,760
Cultural Development Fund	131,750
Community Celebrations Fund	45,655
Multicultural Celebrations Fund	3,050
Children's Services Grants	706,764
Neighbourhood Programs Committee	17,897
Small Poppy Neighbourhood Grants	6,374
Other Grants	563,662

# Victorian local government indicators

The following table outlines the City of Port Phillip's performance against the Victorian Local Government Indicators. All local governments within Victoria are required to assess their performance against these indicators and report the results in their annual report.

Category	Indicator	Definitions	07-08 result	08-09 result
Overall performance	Community satisfaction rating for overall performance generally of the council	The council's result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Dept for Planning & Community Development - Local Government Victoria	62%	61%
Advocacy	Community satisfaction rating for the council's advocacy and community representation on key local issues	The council's result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Dept for Planning & Community Development - Local Government Victoria	51%	56%
Engagement	Community satisfaction rating for the council's engagement in decision making on local issues	The council's result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Dept for Planning & Community Development - Local Government Victoria	51%	54%
All rates	Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: general rates and charges declared under ss.160, 161, and 161 A of the Local Government Act 1989 municipal charges and service rates and charges (i.e. garbage services) levied under ss.159 and 162. Supplementary rates declared, divided by number of assessments used in the calculation of the adopted rate (ie, when the rate was struck)	\$1,177.50	\$1,229.87

Category	Indicator	Definitions	07-08 result	08-09 result
Residential rates	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments (including vacant residential assessments) as defined in "all rates", except for residential assessments only, divided by the number of residential assessments used in the calculation of the adopted rate (when the rate was struck)	\$965.55	\$1,016.62
Operating costs	Average operating expenditure per assessment	Operating expenditure per the statement of financial performance including asset sales and depreciation, divided by the number of assessments used in the calculation of the adopted rate (ie, when the rate was struck)	\$1870.59	\$2,142.06
Capital expenditure	Average capital expenditure per assessment	Amount capitalised to the statement of financial position and contributions by a Local Government to major assets not owned by the Local Government, including expenditure on: capital renewal of existing assets which returns the service potential or the life of the asset to that which it had originally; capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users; capital upgrade which upgrades an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck)	\$549.00	\$433.18
Infrastructure	Renewal	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset to that which it had originally to the long-term AAAC*, divided by useful life, and totalled for each and every infrastructure asset to give one ratio.* The Average Annual Asset Consumption (AAAC) is the amount of a Local Government's asset base consumed during a year based on current replacement cost (that is, cost or fair value)	67%	76%
Infrastructure	Renewal and maintenance	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset to that which it had originally plus current spending on maintenance to AAAC* plus planned maintenance ( the expected level of maintenance which was used in the calculation of the useful life of the asset), divided by useful life, and totalled for each and every infrastructure asset to give one ratio	127%	104%

Category	Indicator	Definitions	07-08 result	08-09 result
Debts	Average liabilities per assessment	Total liabilities as per the statement of financial position less items held in trust (reflected in assets also held), divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). N.B. Items held in trust does not include employee leave entitlements such as long service leave	\$368.24	\$383.29
Operating results	Operating result per assessment	Bottom line per statement of financial performance, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). The council's adjusted operating result per assessment would be \$276.46 after eliminating major one off adjustments for contributed assets (\$22.494M) and loss on disposal of assets (\$39.909M)	\$10.27	\$67.92

# Council contact information

## Council offices

### St Kilda Town Hall

Corner Carlisle Street and Brighton Road, St Kilda

Monday: 8.30 am - 6 pm  
Tuesday - Friday: 8.30 am - 5 pm

Enquiry counter and cashier for paying fees and rates, planning and building approvals.

### South Melbourne Town Hall

208 Bank Street, South Melbourne

Monday - Friday: 8.30 am - 5 pm

Enquiry counter and cashier for paying fees and rates.

### Port Melbourne Town Hall

333 Bay Street, Port Melbourne

Monday - Friday: 8.30 am - 5 pm  
Enquiry counter and cashier for paying fees and rates.

## Council contact details

Email: [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)

Facsimile: (03) 9536 2722

Mail: City of Port Phillip; Private Bag 3; St Kilda, VIC 3182

SMS for the hearing impaired 0432 005 405

### Telephone

General enquiries (ASSIST)	(03) 9209 6777
Rates	(03) 9209 6366
Planning	(03) 9209 6424
Building	(03) 9209 6253
Parking fines	(03) 9611 7660
Waste management	(03) 9209 6533

## Further Information:

More information about the council is available at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au) or by calling ASSIST on (03) 9209 6777.

## Translation information

This information is provided by the council to inform residents about council services and responsibilities.

For a translation of this information contact the council's interpreter service.

Cantonese	(03) 9679 9810
Greek	(03) 9679 9811
Polish	(03) 9679 9812
Russian	(03) 9679 9813

此信息由Port Phillip市政府提供，目的在於告知居民市政府的服務和責任。若想得到此信息的翻譯，請與市政府的口譯服務處聯繫。廣東話翻譯電話9679 9810。

Οι πληροφορίες αυτές παρέχονται από το Δήμο Πόρτ Φίλιπ για να πληροφορήσουν τους δημότες σχετικά με τις δημοχιακές υπηρεσίες και υποχρεώσεις. Για μετάφραση αυτών των πληροφοριών επικοινωνήστε με την υπηρεσία διερμηνέων του δημορχείου. Για μετάφραση στα Ελληνικά καλέστε το 9679 9811.

Эта информация предоставлена Муниципальным Советом Port Phillip в целях ознакомления жителей района с услугами и обязательствами муниципального совета. Чтобы получить перевод этой информации, обратитесь в переводческую службу муниципального совета. Чтобы получить перевод на русский язык, позвоните по номеру 9679 9813.

Informacja ta została przygotowana przez Radę Dzielnicy Port Phillip w celu powiadomienia mieszkańców o usługach i obowiązkach Rady. W celu uzyskania tłumaczenia tej informacji należy skontaktować się ze służbą tłumaczy Rady. Tłumaczenie na język polski otrzymać można dzwoniąc pod numer 9679 9812.



# Plain English Guide to the Financial Report

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The Annual Report includes a General Purpose Financial Report, Standard Statements and a Performance Statement for the Port Phillip City Council for the year ended 30 June 2009. These statements have been prepared in accordance with Australian Accounting Standards and Interpretations, the Local Government Act, Local Government Regulations, and other mandatory reporting requirements.

## Introduction

This introduction has been prepared to assist the readers' understanding of the Financial Report and Standard Statements and provide readers with a summary of the circumstances and issues that have had a significant impact on information contained within those documents.

The financial report is a key component of the council's Annual Report. It demonstrates how the council performed financially during the 2008/2009 financial year (Income Statement) and summarises its overall position at the end of the financial year, 30 June 2009 (Balance Sheet).

The council reports on its financial performance in accordance with the Australian Accounting Standards and Interpretations. Readers may not be familiar with some of the terminology used. The council is a 'not for profit' organisation and a number of the generally recognised terms used in public company reports are not appropriate for the council.

As part of its commitment to accountability, the council has developed this Plain English Guide to assist readers with their understanding of the council's financial information.

## What are Standard Statements?

The Local Government Act 1989 as amended by the Local Government (Democratic Reform) Act 2003, requires all councils to include Standard Statements in each of their three key planning and reporting documents produced each year. These documents are the Council Plan, Annual Budget, and Annual Report. A complete suite of Standard Statements have been prepared (Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and Standard Statement of Capital Works) as required by this legislation and they have been audited as part of the annual external audit process.

The objective of the Standard Statements is to provide clear linkages and comparability between the financial information contained in the three key planning and reporting documents produced each year; the Strategic Resource Plan, the Annual Budget, and the Annual Report. These statements have been presented in a consistent format with an emphasis on comparing actual results with planned financial performance (budget). Explanations for variations greater than 10% and other large absolute variances have been provided in the Notes to the Standard Statements.

## Part 2

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# City of Port Phillip Financial Report 2008-2009

### What is contained in the Annual Financial Reports?

The council's Financial Report has two main sections: the Financial Statements and the accompanying notes.

There are four Financial Statements and forty-three notes.

The four Financial Statements are the:

- Income Statement;
- Balance Sheet;
- Statement of Changes in Equity; and
- Cash Flow Statement.

The accompanying notes to the financial statements detail council's accounting policies and the breakdown of values contained in the Statements.

The Financial Report is prepared by council staff, reviewed by the Chief Financial Officer, reviewed by the council's Audit Committee and then presented to the Auditor-General for audit.

### Income Statement

The Income Statement presents:

- The sources of the council's Revenue under various income headings, and
- The Expenses incurred in running the council during the year.

The key figure to look at is the surplus/(deficit) for the year, which is equivalent to the profit or (loss) of the council for the year.

A positive result (no brackets) means that the revenue for the year is greater than the year's expenses.

### Balance Sheet

The Balance Sheet is a one page summary, presenting a snapshot of the financial position of the council as at 30 June. It shows what the council controls as Assets and what it owes as Liabilities. The 'bottom line' of this Statement is the Net Assets. This is the net worth of the council, which has been built up over many years.

The assets and liabilities are separated into Current and Non-current. Current assets are realisable within the next 12 months, while current liabilities are those which the council does not have the right to defer settlement past 12 months.

The components of the Balance Sheet are described here.

### Current and Non-Current Assets

- Cash includes cash and cash equivalents i.e. cash on hand, and cash held in the bank, and cash investments maturing within 3 months.
- Financial Assets reference the value of council's longer term financial investments (maturity greater than 3 months), such as bank bills, term deposits and floating rate notes.
- Receivables are monies owed to the council for rates, parking, fines, GST refund and other services provided by the council.
- Other Assets represents accrued income due to the council, but not yet paid or billed, and prepayments which are accounts that have been paid in advance by the council.
- Property, Infrastructure, Plant and Equipment are the largest components of the council's worth and represent the value of land, buildings, roads, drainage, equipment etc. which have been purchased by, or contributed to the council over many years. It also includes those assets, which the council does not own but has significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land.

### Current and Non-Current Liabilities

- Payables are suppliers to whom the council owes money as at 30 June.
- Trust Funds and deposits represent monies held in Trust by the council.
- Employee benefits represent Long Service and Annual Leave entitlements due to employees at 30 June.
- Interest Bearing Liabilities are the borrowings (including finance leases) taken out by the council.

### Net Assets

This term is used to describe the difference between the value of Total Assets and the value of Total Liabilities. It represents the net worth of the council as at 30 June. The net value of the council is also synonymous with Total Equity.

### Total Equity

This is the term used to describe the components of Net Assets. The components of Equity include:

- Accumulated Surplus - the profit or loss results of all financial years totalled and carried forward.
- Asset Revaluation Reserves - the difference between the previously recorded value of assets and their current valuations.
- General Reserves - allocations from the Accumulated Surplus for specific projects.

### Statement of Changes in Equity

During the course of the year the value of Total Equity, as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for changes in equity stem from:

- The 'surplus or deficit' from operations, as described in the Income Statement.
- Transfers to and from the council's reserves; and
- Revaluation of assets.

### Cash Flow Statement

The Cash Flow Statement summarises the council's cash payments and cash receipts for the year. The values differ from those shown in the Income Statement due to the requirement to include GST (which is not a cost to the council as it is recovered from the ATO), and because it is prepared on a cash basis not an accrual basis.

Cash in this Statement refers to bank deposits and other forms of highly liquid investments maturing within three months, that can readily be converted to cash.

This statement provides the reader with an indication of the council's liquidity and its capacity to pay its debts and other liabilities. It also reflects Council's ability to fulfil its ongoing operating payment obligations, investment in community assets and ongoing financing transactions.

The council's cash arises from, and is used in, three main areas:

- Operating Activities
  - Receipts - all cash received into the council's bank account from Ratepayers and others who owed money to the council. Receipts also include the interest earnings from the council's cash investments.
  - Payments - all cash paid by the council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.
- Investing Activities - relates to payments for assets such as building improvements, footpaths and road renewals and other long term revenue-producing assets.
- Financing Activities: - this is where the receipt and repayment of borrowed funds are recorded.

### Notes to the Accounts

The notes are a very important and informative section of the report. They enable the reader to understand the basis upon which the values shown in the statements are established and are necessary to provide details of the council's accounting policies. These are described in Note 1.

In addition to providing details of accounting policies, the notes also explain many of the summary figures contained in the statements. The note cross references are shown beside the relevant items in the Income Statement, Balance Sheet, Statement of Changes in Equity and the Cash Flow Statement.

Where the council wishes to disclose other information that cannot be incorporated into the statements, then this is shown in the notes.

Other notes include:

- The cost of the various functions of the council;
- The break down of expenses, revenues, reserves, and other assets;
- Contingent liabilities;
- Transactions with persons related to the council; and
- Financial performance indicators.

The notes should be read together with the other parts of the Financial Statements to get a clear picture of the accounts.

### Statements by Principal Accounting Officer and Councillors

The Certification by the Principal Accounting Officer is a statement made by the person responsible for the financial management of the council that, in his opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The certification by councillors is a statement made by two councillors on behalf of the council that, in their opinion, the Financial Statements are fair and not misleading.

### Auditor General's Report

The Independent Audit Report is the external and independent opinion on the Financial Statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the Financial Statements.

### Financial Performance

The council reported a surplus of \$11.232 million in 2008/2009 and a deficit of \$7.878 million in 2007/2008.

The major factors that have underpinned the City's financial performance in 2008/2009 are:

#### Rate revenue

Rate revenue has increased from \$71.344 million to \$74.943 million. Included in rate revenue is \$1.265 million (2007/2008: \$495,000) derived during the year from supplementary valuation assessments issued as a result of adjusting the property valuations to reflect physical changes made to them. The increase from the prior year also reflects an overall 2.9% increase in rates.

#### Parking fees and fines

Income from parking fees and fines has increased by \$1.132 million from \$22.696 million to \$23.828 million. This is due to an increase in the number of parking infringement notices throughout the year and a reduction in cancellation of parking fines.

#### User charges

User charges have increased by \$545,000 due to increased fees from Children's Services as a result of North St Kilda being fully operational, with additional places available, for the entire financial year following capital works being performed in the prior year. There is also increased utilisation of Clark and Coventry Street Children's Centres following works being performed in prior years. This is slightly offset by a reduction in fees received for the St Kilda Festival. Statutory fees decreased by \$79,000 due to a slight reduction in income from kerbside permits.

#### Grants income

Grants income increased by \$1.923 million due to increased state government funding for the Cleve Plaza capital project (\$1.023 million) as well as funding received for other capital projects. In addition, the first quarter payment of the 2009/2010 Victorian Grants Commission funding was received in this financial year (\$520,000).

#### Contributions

Contributions decreased by \$18.358 million, from \$24.940 million in 2007/08 to \$6.582 million in 2008/2009, due to a decline in contributions of non-monetary assets. Council became Committee of Management of the Lady Forster Kindergarten site which required land and buildings of \$1.920 million to be recognised as Council assets. In the prior year Council became Committee of Management of the St Kilda Triangle Site, which had a significant impact on the financial performance (\$22.494 million).

#### Interest income

Interest has decreased by \$620,000 to \$2.100 million due to a marked reduction in interest rates that arose from the global financial crisis.

#### Other revenue

Other revenue has increased by \$502,000 due to monies received for the bi-annual sale of Property and Valuations data to the State Revenue Office as well as increased Sponsorship income for the St Kilda Festival.

#### Rental income

Rental income has increased by \$101,000 as a result of market rental adjustments to Council's commercial property portfolio.

#### Employee expenses

Employee expenses have increased by \$4.883 million in 2008/09 from \$44.028 million to 48.911 million due to:

- The impact of the 4.5% Enterprise Bargaining salary increment in July 2008
- The impact of 24.5 new full time equivalent positions including 12.1 direct service positions in the organisation
- Redundancy costs arising from an organisational restructure.

#### Non-labour operating expenditure (professional services, utility payments, other expenses, and contract payments/materials)

Non-labour operating expenditure has increased by \$4.785 million from \$58.390 million in 2007/2008 to \$63.175 million in 2008/2009.

There have been a number of notable year on year changes in expenditure:

- External contract payments increased by \$2.138 million in this financial year mainly due to increases in cleaning contract costs and recycling and waste management contracts as well additional contract services required for the St Kilda Festival (\$453,000).
- Bad and doubtful debts increased by \$618,000 in this financial year due to an increase in the provision required for parking debtor accounts which are at the Perin Court (\$543,000).
- Professional service payments increased by \$670,000 due to increased fees on projects such as Diversity (\$217,000), FOI requests and legal fees (\$143,000), South Melbourne Market food and beverage strategy consultation (\$129,000) and building plan consultation (\$176,000).
- Other expenses increased by \$1.270 million as a result of unrealised losses on council's investment portfolio. A provision of \$1.737 million for an impairment loss has been made on a Deutsche Bank floating rate note which has a maturity date of

November 2012 and has been revalued down due to liquidity risk. In the prior year a provision was made for the potential loss on the sale of the carpark at 2 Princes Street as the carrying value of \$1.642 million exceeds the sale price of \$1.200 million by \$442,000.

#### Loss on disposal of property, infrastructure, plant and equipment

The loss on disposal of property, infrastructure, plant and equipment of \$2.470 million in 2008/09 reflects the disposal of infrastructure assets as well as land (\$949,000) belonging to the Education Department.

#### Non-current assets

The council discloses asset values in accordance with Australian Accounting Standards. Compliance with the standards means that the carrying values of the assets are either at cost or fair value and that the recorded values are regularly assessed to ensure they are kept up to date by reference to the cost of replacing the assets. When there is a change in fair value across a class of assets and that change is material to the existing carrying value, the council revalues the entire class of assets. This process ensures that the carrying values are fair and kept up to date.

The council's non-current assets balance has decreased from \$1.930 billion in 2007/08 to \$1.833 billion as a result of a large reduction in council's land valuations over the past year. An independent valuation of the council's land assets was undertaken at 30 June 2009 resulting in a reduction in land asset values of \$110 million. In addition an independent valuation of Council's land improvements (park assets) was undertaken at 30 June 2009 which resulted in an increase in the value of those assets of \$3.347 million. Fair value assessments of the council's roads, footpaths and bridges, buildings and drainage assets were also undertaken at 30 June 2009 with no significant changes noted from the prior year.

#### Current assets and liabilities

The council's current assets balance of \$46.145 million is primarily made up of short term bank deposits (\$25.407 million) and longer dated bank deposits (\$7.716 million), which have increased this year by \$1.816 million. Receivables of \$10.075 million have decreased this year by \$510,000 as a result of a decrease in the value of rate debtors outstanding at the end of the current financial year.

The council's current liabilities balance of \$20.730 million has increased by \$738,000 from 2007/08 as a result of an increase in accounts payable and employee entitlement provisions at the end of the financial year.

Non-current liabilities

The council's non-current liabilities of \$4.466 million consists of provisions for employee entitlements (\$1.437 million) and bank loans (\$3.029 million).

Cash flows from operating activities

Councils net operating cash inflow of \$31.208 million represents the internal cash generated from normal operations which includes receipts from customers, grants, fees and fines. This is partially offset by payments to suppliers and employees.

Cash flows from investing activities

Councils net cash outflow attributable to investing activities of \$28.213 million represents payments for property, infrastructure, plant and equipment projects of \$26.497 million as well as an increase in investments in longer dated bank bills with maturity greater than three months.

Cash flows from financing activities

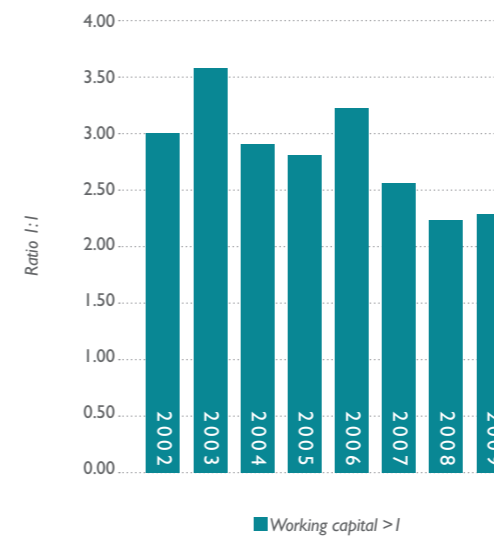
Councils net cash outflow from financing activities of \$895,000 represents the redemption of borrowings and loan servicing costs.



**Key Financial Indicators**

Historical changes in a number of key financial indicators have been summarised in the graphs below. A brief commentary next to each graph highlights the current performance and factors giving rise to changes in the trend of these indicators.

Working Capital Ratio



The standard working capital ratio benchmark is a ratio of 1.5:1. The current working capital ratio of 2.23:1, indicates that the council has over two times more current (short-term) assets that is available to pay current (short term) liabilities.

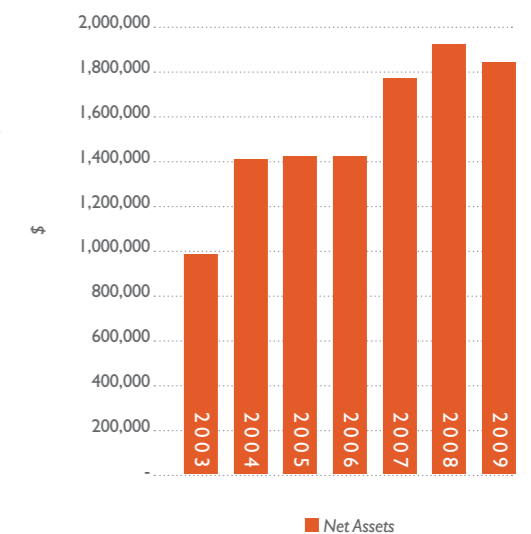
The slight increase in the ratio from previous years is due to an increase in cash balances held at the end of the 2008/09 financial year.

The council's net assets have reflected a stepped growth pattern over the past five years. There has been a slight decline in the current financial year due to the impact of the land revaluations undertaken at 30 June 2009.

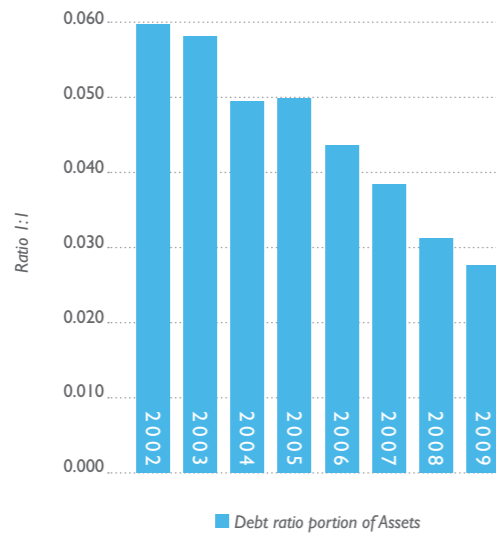
While Council is required to carry out a fair value assessment of its non-current assets every year, the major changes in assets have occurred in years where there has been a formal revaluation of its land and buildings (2004, 2007, 2008 and 2009- land only).

The trend of increasing net asset values is almost entirely attributable to increased asset revaluations and while cash balances have increased over this period, this has an insignificant impact when measured against the scale of the changed non-current asset valuations.

Net Assets

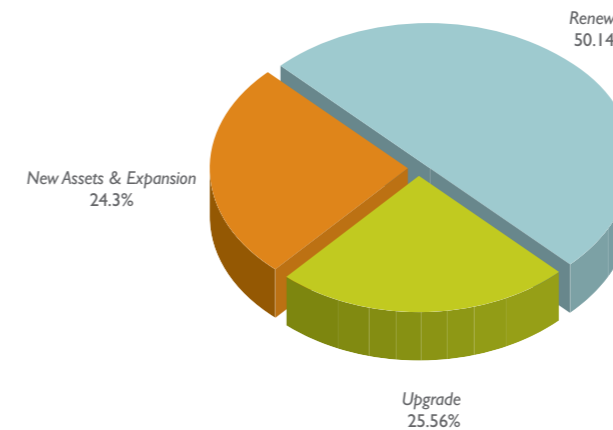


**Debt Exposure Ratio**



The council's exposure to debt as a proportion of realisable assets has shown a sustained ongoing reduction. This is due to a combination of its accelerated debt reduction program and increases in the value of its realisable assets.

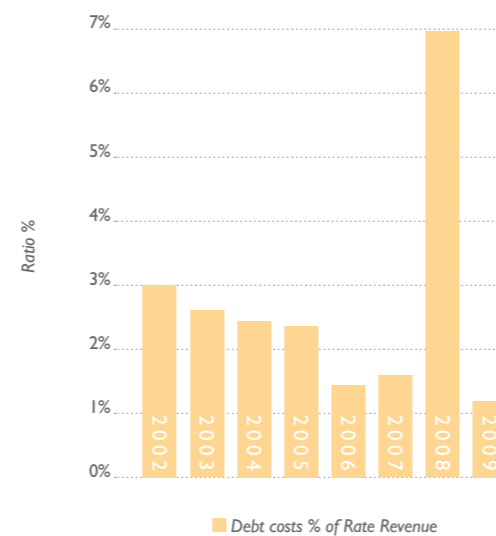
**Breakdown of Capital Expenditure 2009**



The breakdown of the council's capital works and capital expenditure into the different categories of renewals and upgrades on existing assets, and new assets illustrates that there has been a significant amount of attention given to renewal of existing assets which now account for over half of the total capital expenditure.

This is attributable to the attention that has been placed by the council on minimising the whole of life costs of its infrastructure through an optimal renewals program.

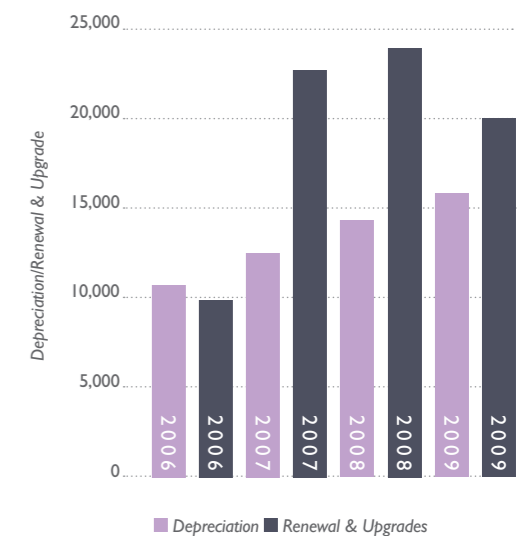
**Debt Commitment Ratio**



The council's debt commitment ratio which compares its debt commitment (principal and interest) to its rate revenue, has decreased significantly in 2009 due to accelerated repayment of a loan during the 2008 financial year, which was a one-off. The ratio is back on track at 1.19% in 2008/09.

The council's expenditure on asset renewals and upgrades has exceeded its depreciation charge over the past two years. This implies that it is fully funding the wear and tear on its assets.

**Capital Renewal/Upgrades vs Depreciation**



# Notes to the financial statement

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### Income Statement for the Year Ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
<b>Revenue</b>			
Rates and garbage charges	2	74,943	71,344
Parking fees and fines	3	23,828	22,696
User charges and other fines	4	10,816	10,271
Statutory fees and fines	5	2,242	2,321
Grants	6	11,912	9,989
Contributions	7	6,582	24,940
Other revenue	8	3,163	2,661
Interest		2,100	2,720
Rent		6,054	5,953
<b>Total Revenue</b>		<b>141,640</b>	<b>152,895</b>
<b>Expenses</b>			
Employee benefits	10	48,911	44,028
External contracts	11	30,614	28,476
Materials and consumables	12	18,073	18,191
Bad and doubtful debts	13	2,212	1,594
Depreciation	14	15,852	14,310
Professional services		4,775	4,105
Utility payments		2,127	1,823
Other expenses	15	5,129	3,859
Finance costs	16	245	342
<b>Total Expenses</b>		<b>127,938</b>	<b>116,728</b>
Net loss on disposal of property, infrastructure, plant and equipment	9	2,470	44,045
<b>Surplus / (deficit) for the year</b>		<b>11,232</b>	<b>(7,878)</b>

The above income statement should be read with the accompanying notes

### Balance Sheet as at 30 June 2009

	Note	2009 \$'000	2008 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	25,407	23,307
Financial assets	18	7,716	8,000
Receivables	19	10,075	10,585
Other assets	20	1,747	786
Assets held for sale	21	1,200	1,200
<b>Total current assets</b>		<b>46,145</b>	<b>43,878</b>
<b>Non-current assets</b>			
Financial assets	18	6,268	6,005
Property, infrastructure, plant and equipment	22	1,826,687	1,923,556
<b>Total non-current assets</b>		<b>1,832,955</b>	<b>1,929,561</b>
<b>Total assets</b>		<b>1,879,100</b>	<b>1,973,439</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	23	10,954	10,538
Trust funds and deposits	24	1,776	1,799
Provisions	25	7,221	6,992
Interest-bearing loans and borrowings	26	779	663
<b>Total current liabilities</b>		<b>20,730</b>	<b>19,992</b>
<b>Non-current liabilities</b>			
Provisions	25	1,437	952
Interest-bearing loans and borrowings	26	3,029	3,220
<b>Total non-current liabilities</b>		<b>4,466</b>	<b>4,172</b>
<b>Total liabilities</b>		<b>25,196</b>	<b>24,164</b>
<b>Net assets</b>		<b>1,853,904</b>	<b>1,949,275</b>
<b>Equity</b>			
Accumulated surplus		569,433	559,736
Reserves	27	1,284,471	1,389,539
<b>Total Equity</b>		<b>1,853,904</b>	<b>1,949,275</b>

The above balance sheet should be read with the accompanying notes

### Statement of Changes in Equity for the Year Ended 30 June 2009

2009	Total	Accumulated Surplus	Asset Revaluation Reserves	Other Reserves
Note	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	1,954,188	559,736	1,368,340	21,199
Surplus/(deficit) for the year	11,232	11,232	-	-
Net asset revaluation increment/(decrement)	27(a) (106,603)	-	(106,603)	-
Transfers to other reserves	27(b) -	(11,668)	-	11,668
Transfers from other reserves	27(b) -	10,133	-	(10,133)
<b>Balance at end of the financial year</b>	<b>1,858,817</b>	<b>569,433</b>	<b>1,261,737</b>	<b>22,734</b>

2008	Total	Accumulated Surplus	Asset Revaluation Reserves	Other Reserves
Note	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	1,688,544	573,070	1,094,818	15,743
Surplus/(deficit) for the year	(7,878)	(7,878)	-	-
Net asset revaluation increment/(decrement)	27(a) 273,522	-	273,522	-
Transfers to other reserves	27(b) -	(13,871)	-	13,871
Transfers from other reserves	27(b) -	8,415	-	(8,415)
<b>Balance at end of the financial year</b>	<b>1,954,188</b>	<b>559,736</b>	<b>1,368,340</b>	<b>21,199</b>

The above statement of changes in equity should be read with the accompanying notes

### Cash Flow Statement for the year ended 30 June 2009

Note	2009	2008
<b>Cash flows from operating activities</b>		
Rates and garbage charges	75,152	70,650
Parking fees and fines	21,920	21,403
User charges and other fines (inclusive of GST)	13,178	12,735
Grants (inclusive of GST)	12,269	10,151
Contributions	4,622	2,446
Interest	2,095	2,842
Rent (inclusive of GST)	6,478	6,280
Other receipts (inclusive of GST)	3,303	2,596
Net GST refund	6,232	4,573
Payments to suppliers (inclusive of GST)	(41,911)	(35,655)
Payments to employees (including redundancies)	(48,138)	(44,359)
Other payments	(23,953)	(19,971)
<b>Net cash provided by operating activities</b>	<b>28</b>	<b>33,691</b>
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	(26,536)	(32,945)
Proceeds from sale of property, infrastructure, plant and equipment	-	48
Proceeds from sale of other financial assets	8,000	4,600
Payments for other financial assets	(9,716)	(14,000)
<b>Net cash (used in) investing activities</b>	<b>(28,252)</b>	<b>(42,297)</b>
<b>Cash flows from financing activities</b>		
Repayment of interest bearing liabilities	(650)	(4,647)
Finance costs	(245)	(342)
<b>Net cash (used in) financing activities</b>	<b>(895)</b>	<b>(4,989)</b>
Net increase in cash and cash equivalents	2,100	(13,595)
Cash and cash equivalents at the beginning of the financial year	23,307	36,902
<b>Cash and cash equivalents at the end of the financial year</b>	<b>29</b>	<b>23,307</b>
<b>Financing arrangements</b>	<b>30</b>	
<b>Restrictions on cash assets</b>	<b>31</b>	
<b>Non-cash financing and investing activities</b>	<b>26</b>	

The above cash flow statement should be read with the accompanying notes



## Introduction

The City of Port Phillip was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 99a Carlisle St, St Kilda.

The purpose of Council is to:

- provide for the peace, order and good government of its municipal district;
- promote the social, economic and environmental viability and sustainability of the municipal district;
- ensure that resources are used efficiently and effectively and services are provided in accordance with Best Value Principles to meet the needs of the local community;
- improve the overall quality of life of people in the local community;
- promote appropriate business and employment opportunities;
- ensure that services and facilities provided by the Council are accessible and equitable;
- ensure the equitable imposition of rates and charges; and
- ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria  
 Internal Auditor - Pitcher Partners  
 Bankers - Commonwealth Bank of Australia  
 Website - www.portphilip.vic.gov.au

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989 and the Local Government (Finance & Reporting) Regulations 2004.

### Note 1

## Significant accounting policies

### (a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives. Please refer to note 1(b) for further disclosure of material changes to comparatives.

All entities controlled by Council that have material assets or liabilities have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Council has a 50% interest in the Streetsahead cleaning services as a joint venture with Stonnington City Council.

### (b) Correction of prior period errors

At 30 June 2009, Council identified the following errors relating to prior periods.

#### **Transfer of operating expenses from work in progress**

A review of work in progress amounts within Property, Infrastructure, Plant and Equipment assets identified a number of capital works projects undertaken and completed in prior financial years. At 30 June 2009, these projects had not yet been capitalised as an asset, and it was identified that the work in progress balance included expenditure which was operating in nature, for example landscaping costs or building maintenance expenditure. It was determined that \$7.559 million in operating costs should have been recognised as an expense in the year in which they were incurred, \$4.913 million relating to 2006/07 and prior and \$2.676 million relating to 2007/08.

As identified above, some errors were made in a financial year prior to the comparative year, and as a result, the Balance Sheet opening balances as at 1 July 2007 were restated as follows:

- Property, infrastructure, plant and equipment decreased by \$4.913 million to recognise the transfer of operating costs from assets to expenses
- Accumulated surplus decreased by \$4.913 million

In addition, the errors outlined above resulted in restatement of the following line items for the year ending 30 June 2008:

- Materials and consumables expense increased by \$2.676 million
- Deficit for the year increased by \$2.676 million
- Property, infrastructure, plant and equipment assets decreased by \$2.676 million
- Accumulated surplus decreased by \$2.676 million

#### **Impairment of asset held for sale**

At 30 June 2009, Council held an asset for sale, 2 Princes Street, with a carrying value of \$1.642 million. On 6 September 2007, Council entered into a contract of sale for the property with a purchase price of \$1.200 million and a settlement date two (2) years from the signing of the contract.

Council's accounting policy is to review the carrying value of its assets to determine whether there is any indication that the assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

It has been determined that the asset held for sale is impaired and subsequently a write down of \$442,000 to bring the asset's carrying value to \$1.200 million in line with the contracted sale price, is to be recognised in 2007/08, being the year the contract of sale was entered into.

This error resulted in restatement of the following line items for the year ending 30 June 2008:

- Other expenses increased by \$442,000
- Deficit for the year increased by \$442,000
- Asset held for sale decreased by \$442,000
- Accumulated surplus decreased by \$442,000

#### **Disposal of community housing asset**

In 2007/08, Council transferred its interest in community housing assets valued at \$39.909 million that it had developed in conjunction with the Office of Housing to the Port Phillip Housing Trust. During 2008/09 Council identified an additional asset valued at \$4.136 million, which should have been disposed as a result of the title transferring to the Port Phillip Housing Trust in 2007/08.

This error resulted in restatement of the following line items for the year ending 30 June 2008:

- Loss on the disposal of property, infrastructure, plant and equipment increased by \$4.136 million
- Deficit for the year increased by \$4.136 million
- Property, infrastructure, plant and equipment assets decreased by \$4.136 million
- Accumulated surplus decreased by \$4.136 million

**Note 1**

**Significant accounting policies (cont.)**

**(b) Correction of prior period errors (cont.)**

Financial Report Line Item / Balance Affected	Note	Actual 2008 \$'000	Correction \$'000	Corrected Actual 2008 \$'000
<b>Income Statement Extract</b>				
<b>Expenses</b>				
Materials and consumables	12	15,515	2,676	18,191
Other expenses	15	3,417	442	3,859
<b>Total expenses</b>		<b>133,610</b>	<b>3,118</b>	<b>116,728</b>
Loss on disposal of property, infrastructure, plant and equipment	9	39,909	4,136	44,045
<b>Deficit for the year</b>		<b>(624)</b>	<b>(7,254)</b>	<b>(7,878)</b>
<b>Balance Sheet Extract</b>				
<b>Current assets</b>				
Assets held for sale	21	1,642	(442)	1,200
<b>Total current assets</b>		<b>44,320</b>	<b>(442)</b>	<b>43,878</b>
<b>Non current assets</b>				
Property, infrastructure, plant and equipment	22	1,935,281	(11,725)	1,923,556
<b>Total non current assets</b>		<b>1,941,286</b>	<b>(11,725)</b>	<b>1,929,561</b>
<b>Total assets</b>		<b>1,985,606</b>	<b>(12,167)</b>	<b>1,973,439</b>
<b>Net assets</b>		<b>1,961,442</b>	<b>(12,167)</b>	<b>1,949,275</b>
<b>Equity</b>				
Accumulated surplus		571,903	(12,167)	559,736
<b>Total equity</b>		<b>1,961,442</b>	<b>(12,167)</b>	<b>1,949,275</b>
<b>Statement of Changes in Equity Extract</b>				
Balance at beginning of the financial year		577,983	(4,913)	573,070
Surplus/(deficit) for the year		(624)	(7,254)	(7,878)
<b>Balance at beginning of the financial year</b>		<b>571,903</b>	<b>(12,167)</b>	<b>559,736</b>
<b>Note 9 – Disposals of property, infrastructure, plant and equipment extract</b>				
<b>Buildings</b>				
Written down value of assets disposed/scrapped		(17,351)	(4,136)	(21,487)
<b>(Loss) on disposal of buildings</b>		<b>(17,351)</b>	<b>(4,136)</b>	<b>(21,487)</b>
<b>SUMMARY</b>				
Written down value of assets disposed/scrapped		(39,957)	(4,136)	(44,093)
<b>(Loss) on disposal of assets</b>		<b>(39,909)</b>	<b>(4,136)</b>	<b>(44,045)</b>

**Note 1**

**Significant accounting policies (cont.)**

**(b) Correction of prior period errors (cont.)**

Financial Report Line Item / Balance Affected	Note	Actual 2008 \$'000	Correction \$'000	Corrected Actual 2008 \$'000
<b>Note 22 – Property, infrastructure, plant and equipment extract</b>				
<b>Buildings</b>				
at fair value as at 30 June 2007		113,210	(4,136)	109,074
<b>Total</b>		<b>157,473</b>	<b>(4,136)</b>	<b>153,337</b>
<b>Work in progress – at cost</b>		<b>32,098</b>	<b>(7,589)</b>	<b>24,509</b>
<b>Total property, infrastructure, plant and equipment</b>		<b>1,935,281</b>	<b>(11,725)</b>	<b>1,923,556</b>

**(c) Revenue recognition**

**Rates, grants and contributions**

Rates, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Contribution income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenue during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed at Note 6 and 7. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

**User charges, fees and fines**

User charges, fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or the penalty applied, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

**Sale of property, infrastructure, plant and equipment**

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

**Interest and rent**

Interest and rent are recognised as revenue when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

**Note 1**

**Significant accounting policies (cont.)**

**(d) Depreciation of property, infrastructure, plant and equipment**

Buildings, land improvements, heritage assets, infrastructure and plant and equipment assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually. Land is regarded as a non-depreciable asset.

Where infrastructure assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and/or residual values and a separate depreciation rate is determined for each component.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major asset lives used are listed below and are consistent with the prior year unless otherwise stated:

ASSET TYPE	PERIOD
<b>Land and buildings</b>	
Buildings	100 years
Land improvements	10-100 years
<b>Plant and equipment</b>	
Communications equipment	3 years
Furniture & fittings	5 years
Information Technology	3 years
Library books	5 years
Motor vehicles	5 years
Office Equipment	5 years
Pay parking equipment	5-10 years
IT Software	3 years
Heritage assets	100 years
Works of Art	100 years
<b>Infrastructure</b>	
Roads	
- Substructure	100 years
- Seal	
- Asphalt	18 years
- Spray	12 years
Footpaths	40-50 years
Kerb and channel	50 years
Drains	150 years
Bridges	
- Substructure	40-80 years
- Deck	20-80 years
Lanes (Right of Ways)	18-100 years

**(e) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Note 1**

**Significant accounting policies (cont.)**

**(f) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred. Borrowing costs include interest on bank overdrafts, interest on borrowings and finance lease charges.

**(g) Recognition and measurement of assets**

**Acquisition**

The purchase method of accounting is used for acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour and an appropriate share of directly attributable variable overheads.

The following classes of assets have been recognised in Note 22. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

ASSET CLASS	THRESHOLD LIMIT
<b>Land and buildings</b>	
Land	All
Buildings	\$5,000
Land improvements	\$5,000
Land under roads	\$5,000
<b>Plant and equipment</b>	
Communications equipment	\$2,000
Furniture & fittings	\$2,000
Information Technology	\$2,000
Library books	All
Motor vehicles	\$2,000
Office Equipment	\$2,000
Pay parking equipment	\$2,000
IT Software	\$10,000
Heritage assets	All
Works of Art	All
<b>Infrastructure</b>	
Roads	
Substructure	\$5,000
Seal	\$5,000
- Asphalt	\$5,000
- Spray	\$5,000
Footpaths	\$5,000
Kerb and channel	\$5,000
Drains	\$5,000
Bridges	\$5,000
- Substructure	\$5,000
- Deck	\$5,000
Lanes (Right of Ways)	\$5,000

## Note 1

## Significant accounting policies (continued)

**(g) Recognition and measurement of assets (continued)****Revaluation**

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (excluding heritage assets and works of art), are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction (being either market value or written down replacement cost). At balance date, the Council reviewed the carrying value of the individual classes of assets to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from its fair value at balance date the class of asset was revalued.

In addition, Council undertakes the formal revaluation of land, buildings, land improvements, works of art, heritage assets and infrastructure assets on a regular basis ranging from one to three years. The valuation is performed either by experienced Council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the appropriate asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the prior expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Revaluation increments and decrements within the year are offset within the same class of asset.

**Land under roads**

Land under roads is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report. From 1 July 2008, Council will recognise any material land under roads that comes into Council's control within the financial report. There is no financial impact of this change in accounting policy.

**(h) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with short periods to maturity that are readily convertible to cash on hand at Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

**(i) Financial assets**

Other financial assets including bank bills and Municipal Association Purchasing Scheme (MAPS) shares, are held to maturity and measured at cost.

**(j) Community Housing Agreements**

In the prior financial year Council transferred its interest in Community Housing assets that it had developed in conjunction with the Office of Housing to the Port Phillip Housing Trust. The Port Phillip Housing Association has been appointed the Trustee. This transfer was made in recognition of the fact that the Port Phillip Housing Association manages and maintains these properties and provides disadvantaged members of the Port Phillip community with access to affordable housing within the municipality. The transfer facilitates increased growth in affordable housing in the municipality and is in accordance with Council's policy objectives and outcomes identified in the Council Plan.

During the year Council had an interest in 3 properties (2007/2008: 3), one which is Council owned (2007/2008: 1), one part-owned with the State Government's Office of Housing (2007/2008: 1) and one wholly owned by the Office of Housing (2007/2008: 1). These assets are included as part of Land and Buildings in Note 22 and are subject to joint venture agreements with the Office of Housing. Additional information in regard to restrictions on these assets is disclosed at Note 31.

**(k) Tender deposits**

Amounts received as tender deposits controlled by Council are recognised as Trust funds until they are returned or forfeited.

**(l) Employee benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. The liability for employee benefits includes annual leave, long service leave and retirement gratuities. No provision has been made for sick leave as sick leave is non-vesting and the average sick leave taken in future years by Council employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employee remuneration to the extent that the leave is likely to be taken during service rather than paid out on termination.

## Note 1

## Significant accounting policies (continued)

**(l) Employee benefits (continued)****Classification as current and non-current**

Employee benefit liabilities are classified as current if Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Consequently, all annual leave, retirement gratuities and unconditional long service leave entitlements are classified as current. All conditional long service leave entitlements are classified as non-current.

**Wages and salaries**

Liabilities for wages and salaries and rostered days off are recognised and are measured at the amount unpaid at balance date and include appropriate oncosts such as superannuation and WorkCover charges.

**Annual leave**

All annual leave is deemed to be current. Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid with reference to estimated settlement of the leave as at 30 June 2009 taking into account attrition rates, pay increases through promotion and certified agreements and increments. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements.

**Long service leave**

Long service leave accrued for an employee with more than 7 years of service is classified as current, the amount under 7 years is classified as non-current. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

**Retirement gratuities**

Retirement gratuities were provided to certain employees who joined the Council prior to June 1995. The liability represents a set proportion of accumulated sick leave that is payable on termination. At balance date, the liability is deemed to be current and is measured at the present value of estimated future cash flows to be made for this entitlement.

**Superannuation**

A liability is recognised in respect of Council's present obligation to meet the unfunded obligation of the defined benefit superannuation scheme to which its employees are members. The liability is defined as Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. Any liability also includes applicable contributions tax.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits scheme. Details of these arrangements are recorded in Note 32.

**Note 1**

**Significant accounting policies (continued)**

**(m) Leases**

**Operating leases**

Lease payments for operating leases are recognised as an expense in the years in which they are incurred.

**Finance leases**

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

**(n) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle.

**(o) Web Site costs**

Costs in relation to Council's web site are expensed in the year in which they are incurred.

**(p) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(q) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

**(r) Assets held for sale**

An asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

**(s) Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that the assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

**Note 1**

**Significant accounting policies (continued)**

**(t) Pending accounting standards and interpretations**

AASB amendment	Standards Affected	Outline of amendment	App. date of Std	App. date for Council
AASB 2008 - 11	AASB 3	Business Combinations	1 Jul 09	1 Jul 09
AASB 2007 - 06	AASB 101	Presentation of Financial Statements	1 Jan 09	1 Jan 09
AASB 2007 - 08	AASB 123	Borrowing Costs	1 Jan 09	1 Jan 09
AASB 2008 - 5	AASB 127	Consolidated and Separate Financial Statements	1 Jul 09	1 Jul 09
AASB 2008 - 1, AASB 2008 - 2, AASB 2008 - 3, AASB 2008 - 5, AASB 2008 - 6, AASB 2008 - 7	Various	Various	1 Jan 09	1 Jan 09

**Note 2** Rates and garbage charges

	2009 \$'000	2008 \$'000
Council uses Net Annual Value (NAV) as the basis of valuation for rating purposes of all properties within the municipal district. The NAV of a property is its imputed rental value.		
The valuation base used to calculate general rates for 2008/2009 was \$2,042 million (2007 / 2008 was \$1,477 million). The 2008 / 2009 rate in the NAV dollar was 3.6088 cents (2007 / 2008: 4.7967 cents)		
Residential	55,487	52,383
Commercial	14,496	14,684
Industrial	3,010	3,153
Supplementary rates and rate adjustments	1,265	495
Garbage bin charge	197	186
Interest on rates overdue	488	443
	<b>74,943</b>	<b>71,344</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2008 and this valuation was first applied to the rating period commencing 1 July 2008.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2006 and the valuation was first applied to the rating year commencing 1 July 2006.

**Note 3** Parking fees and fines

Parking fines and other charges	13,208	12,075
Parking fees - ticket machines	9,530	9,553
Parking permits	1,090	1,068
	<b>23,828</b>	<b>22,696</b>

**Note 4** User charges and other fines

Aged services	1,094	1,361
Animal management services	326	344
Arts and festivals	315	784
Building services	407	502
Child care, children's services and programs	4,746	3,606
Derelict vehicles	343	245
Fines and cost recoveries	66	97
Market fees	455	303
Planning fees	1,278	1,239
Re-instatement works	157	206
Services fees and charges	264	248
Waste management	412	412
Other fees and charges	513	481
Planning and development	32	36
Parking administration fees	408	407
	<b>10,816</b>	<b>10,271</b>

**Note 5** Statutory fees and fines

Crane permit fees	222	185
Health and food act fees	269	156
Kerbside permits	1,624	1,818
Land information certificates	127	162
	<b>2,242</b>	<b>2,321</b>

**Note 6** Grants

	2009 \$'000	2008 \$'000
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Federally funded grants	1,062	670
State funded grants	10,850	9,319
Other	-	-
	<b>11,912</b>	<b>9,989</b>

<b>Recurrent</b>		
Commonwealth Government – Respite and Home Support	9	15
Commonwealth Government – Emergency Services	5	25
Commonwealth Government – Family Planning	34	25
Commonwealth Government – Child Care	282	320
Commonwealth Government – Adventure Playground and Leisure	242	240
Commonwealth Government – Vacation Care	44	2
Commonwealth Government – Immunisation	15	15
Commonwealth Government – Arts	78	28
Commonwealth Government – Capital Grants	353	-

Respite and home support	328	316
Emergency services	5	-
Maintenance services	163	251
Building inclusive communities	295	144
Home care – Elderly	1,884	1,840
Meal services	273	300
Social support	250	242
Maternal and child health	411	439
Child care	280	257
Adventure playground and leisure	27	47
Vacation care	52	-
Drug prevention	33	32
Immunisation	45	63
Family support	351	348
Arts	188	51
Isepich	250	253
Beach cleaning	368	311
Drought relief	10	55
Grappling with graffiti	-	1
Vicroads	232	244
School crossing	57	63
Capital grants	1,516	(37)
Diversity program	-	19
Victorian grants commission	2,570	1,887
Sport and recreation	86	510
Tobacco activity	8	9
Community development	59	125
Community transport	94	-
Business group program	44	37
Library subsidy	546	476
Roads to Recovery	171	178
	<b>11,658</b>	<b>9,131</b>

**Note 6**

**Grants (continued)**

	2009 \$'000	2008 \$'000
<b>Non-recurrent</b>		
Traffic management - safe taxi rank	-	51
Sport & recreation lighting	-	16
Place management	-	79
National Competition Policy	-	12
Excelsior Hall remediation	-	150
Child care capital grant	-	550
Albert Park & Port Melbourne Baptist Church	1	-
St Kilda LSC Feasibility Study & Design	24	-
Housing requirements planning	35	-
Waterfront revitalisation	75	-
Beacon Cove planning scheme	100	-
Municipal Emergency Control Centre Grant	4	-
St Kilda Wayfinding project	15	-
	<b>254</b>	<b>858</b>
<b>Total Grants</b>	<b>11,912</b>	<b>9,989</b>

**Summary of the nature of grants received**

*Conditions on Grants*

Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

	2009	2008
Cultural and recreational services	80	113
Water conservation program	-	50
Community Health	-	23
Road maintenance	-	29
Aged care and social support	131	31
Community care	-	50
Child care services	169	701
Urban and strategic planning	117	-
Drugs strategy	33	3
Community facilities	32	41
Place management	65	79
Capital grants	265	-
Business development programs	-	17
	<b>892</b>	<b>1,117</b>

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	2009	2008
Capital grants	-	11
Cultural and recreational services	69	319
Drug strategy	-	39
Social support	66	185
Urban planning	68	128
Grappling with graffiti	-	12
Vic Roads	-	250
Recycling program	-	52
Child Care services	180	156
Water Conservation Program	47	30
Road Maintenance	59	-
Business development programs	30	-
	<b>519</b>	<b>1,182</b>
<b>Net increase (decrease) in restricted assets resulting from grant revenues for the year</b>	<b>373</b>	<b>45</b>

**Note 7**

**Contributions**

	2009 \$'000	2008 \$'000
<b>Cash</b>		
Capital works contributions	686	207
Developer contributions	3,936	2,239
<b>Non-monetary</b>		
Land assets transferred to Council *	1,820	12,111
Building assets transferred to Council *	140	10,383
	<b>6,582</b>	<b>24,940</b>

\* In 2008/09, the control of land and building assets located at 186 Esplanade West, Port Melbourne (known as Lady Forster Kindergarten) were transferred by the State Government to Council under the Crown Land (Reserves) Act 1978, effective 8 May 2009 making Council the Committee of Management. Council has entered into an agreement to redevelop the site into a new family and children's centre.

\* In 2007/08, the control of land and building assets located at 10 & 14 Lower Esplanade, St Kilda (known as part of the Triangle Site) were transferred by the State Government to Council under the Land (St Kilda Triangle) Act 2006 effective 1 July 2007 making Council the Committee of Management. Council has entered into an agreement with BBC Triangle Investments Pty Ltd who will develop this site.

**Note 8**

**Other revenue**

	2009 \$'000	2008 \$'000
Donations	932	537
Sales - festivals and community activities	456	421
Insurance recovery	156	238
Sale of derelict vehicles	51	8
Property and valuations income	478	26
Sale of right of ways	350	669
Sundry income	732	762
Other Income	8	-
	<b>3,163</b>	<b>2,661</b>

**Note 9**

**Disposal of property, infrastructure, plant and equipment**

	2009 \$'000	2008 \$'000
<b>Land</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(949)	(20,602)
(Loss) on disposal of land	(949)	(20,602)
<b>Land Improvements</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(16)	(41)
(Loss) on disposal of land improvements	(16)	(41)
<b>Buildings</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	-	(21,487)
(Loss) on disposal of buildings	-	(21,487)
<b>Roads, footpaths and bridges</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(1,304)	(1,897)
(Loss) on disposal of roads, footpaths and bridges	(1,304)	(1,897)
<b>Drainage</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(86)	(62)
(Loss) on disposal of drains	(86)	(62)
<b>Plant and equipment</b>		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(109)	-
(Loss) on disposal of plant and equipment	(109)	-
<b>Furniture and fittings</b>		
Proceeds from sale of assets	-	48
Written down value of assets disposed/scrapped	(6)	(4)
Profit/(Loss) on disposal of furniture and fittings	(6)	44
<b>SUMMARY</b>		
Proceeds from sale of assets	-	48
Written down value of assets disposed/scrapped	(2,470)	(44,093)
<b>(Loss) on disposal of furniture and fittings</b>	<b>(2,470)</b>	<b>(44,045)</b>

**Note 10**

**Employee benefits**

	2009 \$'000	2008 \$'000
Wages and salaries	35,552	33,041
Casual staff	3,441	3,198
Annual leave and long service leave	4,549	3,504
Superannuation	3,457	3,048
Fringe benefits tax and WorkCover	1,166	947
Redundancy costs	746	290
	<b>48,911</b>	<b>44,028</b>

**Note 11**

**External Contracts**

	2009 \$'000	2008 \$'000
Cleaning	4,893	3,878
Health, child care centres, kindergartens and schools	477	131
Festivals and programs	1,198	745
Food production	733	535
Information systems	310	107
Maintenance and construction	4,696	5,076
Parking administration and management	1,797	1,638
Parks, gardens and reserves	5,019	4,964
Perin lodgement fees	1,253	1,260
Recycling and waste management	4,728	4,367
Revenue and rates management	0	357
Community service agreements	950	834
Security services	1,081	1,024
Valuations	699	582
Relocation and recruitment	328	311
Search fees	264	267
Corporate functions support	437	742
Insurance	49	40
Publications	57	94
Derelict vehicles	326	128
Social and community services	164	146
Holiday program	66	70
Environmental and outdoor design	262	476
Graffiti removal	91	141
Other	736	563
	<b>30,614</b>	<b>28,476</b>

**Note 12**

**Materials and consumables**

	2009 \$'000	2008 \$'000
Advertising	988	765
Contributions - other	2,332	1,693
Insurance	996	1,582
Metropolitan Fire Brigade levy	1,930	1,836
Operating leases	3,192	2,534
Printing and stationery	849	917
Telephone charges	1,344	1,286
Training	535	413
Maintenance	4,394	5,692
Materials	1,513	1,473
	<b>18,073</b>	<b>18,191</b>



**Note 13** **Bad and doubtful debts**

	2009 \$'000	2008 \$'000
Parking fine debtors	59	34
Parking related debtors – PERIN Court	2,034	3,198
Other debtors	119	69
	<b>2,212</b>	<b>1,594</b>

**Note 14** **Depreciation**

	2009 \$'000	2008 \$'000
Buildings	3,596	2,776
Heritage and works of art	93	97
Plant and equipment	975	903
Furniture and fittings	2,168	1,494
Roads, footpaths and bridges	6,928	6,793
Land improvements	1,452	1,271
Drainage	640	976
	<b>15,852</b>	<b>14,310</b>

**Note 15** **Other expenses**

	2009 \$'000	2008 \$'000
Activities / programs	696	809
Bank charges	369	339
Catering charges	632	506
General transport	272	253
Postage	224	251
Waste rebates	110	100
Software costs	264	223
Subscriptions	175	183
Travel	55	28
Impairment loss *	1,737	442
Rent	142	149
Cab charges	56	54
Licence fees and permits	79	223
Periodicals and journals	52	57
Other	266	242
	<b>5,129</b>	<b>3,859</b>

\* In 2008/09, Council recognised an impairment charge of \$1.747 million on one of the investments it holds, being a floating rate note for \$3 million with Deutsche Bank which has a maturity date of 23 November 2012. This is an unrealised loss and current expectations are that this loss will be written back in subsequent years as the global financial crisis recedes.

\* In 2007/08, Council held an asset for sale, 2 Princes Street, with a carrying value of \$1.642 million. On 6 September 2007, Council entered into a contract of sale for the property with a purchase price of \$1.200 million and a settlement date of two (2) years from the signing of the contract.

It has been determined that the asset held for sale is impaired and subsequently a write down of \$442,000 to bring the asset's carrying value to \$1.200 million in line with the contracted sale price, was recognised in 2007/08, being the year the contract of sale was entered into.

**Note 16** **Borrowing costs**

	2009 \$'000	2008 \$'000
Interest	191	289
Interest – Joint Venture	54	53
	<b>245</b>	<b>342</b>

**Note 17** **Cash and cash equivalents**

	2009 \$'000	2008 \$'000
Cash on hand	24	36
Cash at bank	9,383	10,271
Cash equivalents – Bank Bills with maturity less than 3 months	16,000	13,000
	<b>25,407</b>	<b>23,307</b>

\* Refer to Note 31 for restrictions on cash assets

**Note 18** **Other financial assets**

	2009 \$'000	2008 \$'000
<b>Current</b>		
Bank bills – maturity greater than 3 months	7,716	8,000
<b>Non-Current</b>		
Bank bills – maturity greater than 12 months	6,263	6,000
Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
	<b>6,268</b>	<b>6,005</b>
	<b>13,984</b>	<b>14,005</b>

**Note 19** **Receivables**

	2009 \$'000	2008 \$'000
<b>Current</b>		
Rates debtors	2,026	2,235
Parking infringement debtors	15,156	14,736
Provision for doubtful debts – parking infringements	(10,701)	(10,692)
Other debtors	3,153	2,949
Provision for doubtful debts – other debtors	(211)	(103)
Net GST receivable	652	1,460
	<b>10,075</b>	<b>10,585</b>
<b>Non-Current</b>		
Deferred debtors	-	-
	<b>10,075</b>	<b>10,585</b>

**Note 20**

**Other Assets**

	2009 \$'000	2008 \$'000
<b>Prepayments</b>		
Insurance	1,306	339
Computer maintenance	34	-
Superannuation prepayments	-	-
Parking ticket machine licenses	-	45
	1,340	384
<b>Accrued Income</b>	<b>407</b>	<b>402</b>
	<b>1,747</b>	<b>786</b>

**Note 21**

**Assets held for sale**

	2009 \$'000	2008 \$'000
Fair value – 2 Princes St Car Park	1,200	1,200
	<b>1,200</b>	<b>1,200</b>

**Note 22**

**Property infrastructure, plant and equipment**

	2009 \$'000	2008 \$'000
<b>Summary</b>		
at cost	96,919	84,693
at fair value as at 30 June 2006	11,537	44,550
at fair value as at 30 June 2007	527,631	530,881
at fair value as at 1 July 2007	22,494	22,494
at fair value as at 30 June 2008	91,201	1,533,040
at fair value as at 30 June 2009	1,375,261	-
Less accumulated depreciation	(298,356)	(292,102)
	<b>1,826,687</b>	<b>1,923,556</b>

**Land and buildings**

<b>Land</b>		
at cost	-	-
at fair value as at 30 June 2008 <sup>1</sup>	-	374,396
controlled land at fair value as at 30 June 2008 <sup>1</sup>	-	1,067,303
at fair value as at 30 June 2009 <sup>1</sup>	360,849	-
controlled land at fair value as at 30 June 2009 <sup>1</sup>	971,771	-
<b>Total</b>	<b>1,332,620</b>	<b>1,441,699</b>

**Land improvements**

at cost	-	183
at fair value as at 30 June 2006 <sup>3</sup>	-	33,013
at fair value as at 30 June 2009 <sup>3</sup>	41,969	-
Less accumulated depreciation	(13,053)	(13,212)
<b>Total</b>	<b>28,916</b>	<b>19,984</b>

**Buildings**

at cost	35,328	31,008
at fair value as at 30 June 2007 <sup>2</sup>	109,074	109,074
controlled buildings at fair value as at 1 July 2007 <sup>2</sup>	22,494	22,494
controlled buildings at fair value as at 30 June 2007 <sup>2</sup>	104,253	104,253
at fair value as at 30 June 2009 <sup>2</sup>	672	-
Less: accumulated depreciation	(117,620)	(113,492)
<b>Total</b>	<b>154,501</b>	<b>153,337</b>

**Plant and equipment**

at cost	7,740	8,499
Less: accumulated depreciation	(4,235)	(4,657)
<b>Total</b>	<b>3,505</b>	<b>3,842</b>

**Furniture and fittings**

at cost	12,314	15,095
Less: accumulated depreciation	(7,210)	(10,331)
<b>Total</b>	<b>5,104</b>	<b>4,764</b>

**Heritage assets and works of art**

at cost	49	21
at fair value as at 30 June 2007	9,299	9,299
Less: accumulated depreciation	(190)	(97)
<b>Total</b>	<b>9,158</b>	<b>9,223</b>

**Note 22**

**Property, infrastructure, plant and equipment (continued)**

	2009 \$'000	2008 \$'000
<b>Infrastructure</b>		
<b>Roads, lanes, footpaths, kerb and channel and bridges</b>		
at cost	10,016	5,378
at fair valuation as at 30 June 2006 <sup>5</sup>	11,537	11,537
at fair valuation as at 30 June 2007 <sup>6</sup>	305,005	308,255
Less: accumulated depreciation	(121,145)	(115,997)
<b>Total</b>	<b>205,413</b>	<b>209,173</b>
<b>Drains</b>		
at cost	690	-
at fair value as at 30 June 2008 <sup>7</sup>	91,201	91,341
Less: accumulated depreciation	(34,903)	(34,316)
<b>Total</b>	<b>56,988</b>	<b>57,025</b>
<b>Work in progress - at cost</b>	<b>30,482</b>	<b>24,509</b>
<b>Total property, infrastructure, plant &amp; equipment</b>	<b>1,826,687</b>	<b>1,923,556</b>

- 1 Land revaluations as at 30 June 2009 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer.
- 2 Building revaluations as at 30 June 2007 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer. Contributed assets were received at 1 July 2007 and 30 June 2009 and were valued by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer, see Note 7 for further information. An assessment during 2008/09 of the value of all building assets has indicated that there is no material change required to be made to their carrying value.
- 3 Land improvement revaluations as at 30 June 2009 were performed by Mr D Elson BE (Civil).
- 4 Heritage and works of art valuations as at 30 June 2007 were performed by the following independent valuers:
  - Blaski & Sons - mayoral robes, chains & other attire;
  - David Thomas - contemporary, visual & public art;
  - John Sainsbury - historical photographs; and
  - Leonard Joel - historical items & historical artworks.
- 5 Street furniture and bridges were valued as at 30 June 2006 by Mr D Yeouart BE, MIE Aust., CP Eng. An assessment during 2008/09 of the value of all street furniture and bridge assets has indicated that there is no material change required to be made to their carrying value.
- 6 Roads, lanes, footpaths and kerb and channel were valued as at 30 June 2007 by Mr D Yeouart BE, MIE Aust., CP En. An assessment during 2008/09 of the value of all roads, footpaths and kerb and channel assets has indicated that there is no material change required to be made to their carrying value.
- 7 Drains were valued as at 30 June 2008 by Mr D Yeouart BE, MIE Aust., CP Eng. An assessment during 2008/09 of the value of all drainage assets has indicated that there is no material change required to be made to their carrying value.

*Land and Buildings*

Valuation of land, buildings and land improvements were undertaken by a qualified independent valuer. The valuation of buildings and land improvements is at replacement cost less accumulated depreciation. The valuation of land is market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued using a discount rate of 30% to arrive at a market value.

*Roads, Footpaths and Bridges*

The valuation of roads, footpaths and bridges is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

*Drains*

The valuation of drains is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

*Heritage assets and works of art*

Valuation of heritage assets and works of art were undertaken by qualified independent valuers. The valuation is market value based on current market prices for similar types of assets based on use, type and condition.

**Note 22**

**Property, infrastructure, plant and equipment reconciliation**

2009 Infrastructure	Roads, Lanes, Footpaths, Kerb & Channel and Bridges	Drains	Total Infrastructure 2009 \$'000
WDV at beginning of financial year:	209,173	57,025	266,198
Acquisition of assets	4,639	689	6,184
Depreciation (Note 14)	(6,928)	(640)	(7,568)
Transfer to operating	(12)	-	(12)
WDV of disposals (Note 9)	(1,304)	(86)	(1,390)
Transfer of assets	(155)	-	(155)
<b>WDV at end of financial year</b>	<b>205,413</b>	<b>56,988</b>	<b>262,401</b>

Land and Buildings	Land - freehold and controlled	Buildings on freehold and controlled	Land Improvements	Total Land and Buildings 2009 \$'000
WDV at beginning of financial year:	1,441,699	153,337	19,984	1,615,020
Acquisition of assets	-	4,620	6,898	11,518
Contribution assets (Note 7)	1,820	140	-	1,960
Depreciation (Note 14)	-	(3,596)	(1,452)	(5,048)
Revaluation increment/(decrement) (Note 27)	(109,950)	-	3,347	(106,603)
WDV of disposals (Note 9)	(949)	-	(16)	(965)
Transfer of assets	-	-	155	155
<b>WDV at end of financial year</b>	<b>1,332,620</b>	<b>154,501</b>	<b>28,916</b>	<b>1,516,037</b>

Plant and equipment	Plant and equipment	Furniture, vehicles and IT equipment	Heritage and Art works	Total Plant and equipment 2009 \$'000
WDV at beginning of financial year:	3,842	4,764	9,223	17,829
Acquisition of assets	747	1,897	28	2,672
Council share of Joint Venture assets (Note 39)	-	643	-	643
Depreciation (Note 14)	(975)	(2,168)	(93)	(3,236)
Revaluation increment / (decrement) (Note 27)	-	-	-	-
Transfer to operating	-	(26)	-	(26)
WDV of disposals (Note 9)	(109)	(6)	-	(115)
<b>WDV at end of financial year</b>	<b>3,505</b>	<b>5,104</b>	<b>9,158</b>	<b>17,767</b>

Total	Work in Progress	Total Non Current Assets 2009 \$'000
WDV at beginning of financial year:	24,509	1,923,556
Acquisition of assets	17,336	36,854
Contributed Assets (Note 7)	-	1,960
Council share of Joint Venture Assets (Note 39)	-	643
Depreciation (Note 14)	-	(15,852)
Revaluation increment / (decrement) (Note 27)	-	(106,603)
WDV of disposals (Note 9)	-	(2,470)
Transfer to operating	(977)	(1,015)
Capitalisations of W.I.P	(10,386)	(10,386)
<b>WDV at end of financial year</b>	<b>30,482</b>	<b>1,826,687</b>

**Note 22**

**Property, infrastructure, plant and equipment reconciliation**

2008	Roads, Lanes, Footpaths, Kerb & Channel and Bridges	Drains	Total Infrastructure 2008 \$'000
WDV at beginning of financial year:	212,345	52,419	264,764
Acquisition of assets	5,378	806	6,184
Depreciation (Note 14)	(6,793)	(976)	(7,769)
Revaluation increment (Note 27)	-	4,977	4,977
Transfer to operating	5	(4)	1
WDV of disposals (Note 9)	(1,897)	(62)	(1,959)
Transfer of assets	135	(135)	-
<b>WDV at end of financial year</b>	<b>209,173</b>	<b>57,025</b>	<b>266,198</b>

Land and Buildings	Land - freehold and controlled	Buildings on freehold and controlled	Land Improvements	Total Land and Buildings 2008 \$'000
WDV at beginning of financial year:	1,180,490	137,375	21,113	1,338,978
Acquisition of assets	-	31,008	183	31,191
Contribution assets (Note 7)	12,111	10,383	-	22,494
Depreciation (Note 14)	-	(2,776)	(1,271)	(4,047)
Revaluation increment (Note 27)	268,545	-	-	268,545
WDV of disposals (Note 9)	(20,602)	(21,487)	(41)	(42,130)
Transfer to operating	-	(11)	-	(11)
Transfer of assets	1,555	(1,555)	-	-
<b>WDV at end of financial year</b>	<b>1,441,699</b>	<b>153,337</b>	<b>19,984</b>	<b>1,615,020</b>

Plant and equipment	Plant and equipment	Furniture, vehicles and IT equipment	Heritage and Art works	Total Plant and equipment 2008 \$'000
WDV at beginning of financial year:	3,514	3,296	9,299	16,109
Acquisition of assets	1,230	2,928	21	4,179
Council share of Joint Venture assets (Note 39)	-	38	-	38
Depreciation (Note 14)	(903)	(1,494)	(97)	(2,494)
Revaluation increment (Note 27)	-	-	-	-
Transfer to operation	1	-	-	1
WDV of disposals (Note 9)	-	(4)	-	(4)
<b>WDV at end of financial year</b>	<b>3,842</b>	<b>4,764</b>	<b>9,223</b>	<b>17,829</b>

Total	Work in Progress	Total Non Current Assets 2008 \$'000
WDV at beginning of financial year:	35,823	1,655,674
Acquisition of assets	19,137	60,691
Contributed Assets (Note 7)	-	22,494
Council share of Joint Venture Assets (Note 39)	-	38
Depreciation (Note 14)	-	(14,310)
Revaluation increment (Note 27)	-	273,522
WDV of disposals (Note 9)	-	(44,093)
Transfer to operating	(3,149)	(3,158)
Capitalisations of W.I.P	(27,302)	(27,302)
<b>WDV at end of financial year</b>	<b>24,509</b>	<b>1,923,556</b>

**Note 23**

**Payables**

	2009 \$'000	2008 \$'000
Trade creditors	5,280	5,392
Accrued expenses	4,684	4,879
Other	990	267
	<b>10,954</b>	<b>10,538</b>

**Note 24**

**Trust funds and deposits**

Trust funds and deposits	2009 \$'000	2008 \$'000
Refundable contract deposits	209	198
Refundable tender deposits	1	4
Refundable civic facilities deposits	26	-
Refundable asset protection deposits	806	864
Refundable Statewide Primary Care Partnership funds	18	100
Refundable tenancy bonds	132	172
Other refundable deposits	584	461
	<b>1,776</b>	<b>1,799</b>

**Note 25**
**Provisions**

2009	Annual leave \$'000	Long service leave \$'000	Retirement gratuity \$'000	Joint venture employees \$'000	Other \$'000	Total \$'000
Balance at beginning of the financial year	2,625	4,597	168	547	7	7,944
Additional provisions	3,331	1,283	37	248	363	5,262
Amounts used	(3,169)	(754)	(36)	(170)	(355)	(4,484)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(26)	(81)	43	-	-	(64)
<b>Balance at the end of the financial year</b>	<b>2,761</b>	<b>5,045</b>	<b>212</b>	<b>625</b>	<b>15</b>	<b>8,658</b>

2008	Annual leave \$'000	Long service leave \$'000	Retirement gratuity \$'000	Joint venture employees \$'000	Other \$'000	Total \$'000
Balance at beginning of the financial year	2,656	4,426	302	552	130	8,066
Additional provisions	2,803	631	(25)	195	183	3,787
Amounts used	(2,719)	(649)	(94)	(200)	(306)	(3,968)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(115)	189	(15)	-	-	59
<b>Balance at the end of the financial year</b>	<b>2,625</b>	<b>4,597</b>	<b>168</b>	<b>547</b>	<b>7</b>	<b>7,944</b>

(a) Employee current benefit	2009 \$'000	2008 \$'000
<b>Current (i)</b>		
Annual leave	2,761	2,625
Long service leave	3,608	3,645
Retirement gratuity	212	168
Joint venture employees	625	547
Other	15	7
	<b>7,221</b>	<b>6,992</b>

<b>Non-current (ii)</b>	2009 \$'000	2008 \$'000
Annual leave	-	-
Long service leave	1,437	952
Retirement gratuity	-	-
Joint venture employees	-	-
	<b>1,437</b>	<b>952</b>

<b>Aggregate carrying amount of employee benefits</b>	2009 \$'000	2008 \$'000
Current	7,221	6,992
Non-current	1,437	952
	<b>8,658</b>	<b>7,944</b>

<b>The following assumptions were adopted in measuring the present value of employee benefits</b>	2009	2008
Weighted average increase in employee costs	4.45%	4.75%
Weighted average discount rates	4.76%	6.61%

**Note 25**
**Provisions (continued)**

(a) Employee current benefit (cont.)	2009 \$'000	2008 \$'000
<b>(i) Current</b>		
Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	5,156	4,889
Other short-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	2,065	2,103
	<b>7,221</b>	<b>6,992</b>
<b>(ii) Non-current</b>		
Long service leave representing less than 7 years of continuous service measured at present value	1,437	952
	<b>No.</b>	<b>No.</b>
Average employee numbers during the financial year	768	731
Number of full time equivalents (FTE) at year end	619	574

**Note 26**
**Interest-bearing liabilities**

	2009 \$'000	2008 \$'000
<b>Current</b>		
Borrowings - secured against rates and charges	495	466
Joint venture finance lease liability	284	197
	<b>779</b>	<b>663</b>
<b>Non-Current</b>		
Borrowings - secured against rates and charges	2,312	2,807
Joint venture finance lease liability	717	413
	<b>3,029</b>	<b>3,220</b>
	<b>3,808</b>	<b>3,883</b>

**The maturity profile for Council's borrowings is**

	2009 \$'000	2008 \$'000
Not later than one year	779	663
Later than one year and not later than five years	3,029	2,175
Later than five years	-	1,045
	<b>3,808</b>	<b>3,883</b>

**Finance leases**

Included in the above is Council's obligations under finance leases for the lease of equipment through the joint venture 'Streetsahead'. The sum is recognised as a liability after deduction of future lease finance charges included in the obligation.

	2009 \$'000	2008 \$'000
Not later than one year	359	247
Later than one year and not later than five years	829	458
Later than five years	-	-
Minimum lease payments	1,188	705
Less: Future finance charges	(187)	(95)
<b>Recognised in the balance sheet as:</b>	<b>1,001</b>	<b>610</b>
<b>Current</b>		
Leases	284	197
<b>Non-Current</b>		
Leases	717	413
	<b>1,001</b>	<b>610</b>

**Note 27**

**Reserves**

(a) Asset revaluation reserves	Balance at beginning of year \$'000	Increment (decrement) \$'000	Balance at end of year \$'000	
<b>2009</b>				
<b>Property</b>				
Land	1,177,247	(109,950)	1,067,297	
Land improvements	4,507	3,347	7,854	
Arts and Heritage	2,416	-	2,416	
Building	93,146	-	93,146	
	<b>1,277,316</b>	<b>(106,603)</b>	<b>1,170,713</b>	
<b>Infrastructure</b>				
Roads, footpaths and bridges	73,188	-	73,188	
Drainage	17,836	-	17,836	
	91,024	-	91,024	
<b>Total Asset revaluation reserves</b>	<b>1,368,340</b>	<b>(106,603)</b>	<b>1,261,737</b>	
<b>2008</b>				
<b>Property</b>				
Land	908,702	268,545	1,177,247	
Land improvements	4,507	-	4,057	
Arts and Heritage	2,416	-	2,416	
Building	93,146	-	93,146	
	<b>1,008,771</b>	<b>268,545</b>	<b>1,277,316</b>	
<b>Infrastructure</b>				
Roads, footpaths and bridges	73,188	-	73,188	
Drainage	12,859	4,977	17,836	
	86,047	4,977	91,024	
<b>Total Asset revaluation reserves</b>	<b>1,094,818</b>	<b>273,522</b>	<b>1,369,340</b>	
<b>(b) Other reserves</b>				
	Balance at beginning of year \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of year \$'000
<b>2009</b>				
General Reserve	18,643	7,733	(8,410)	17,966
Resort and recreation reserve	1,437	3,778	(1,723)	3,492
Contributions for car parking reserve	980	-	-	980
Contribution for C13 infrastructure reserve	139	157	-	293
<b>Total other reserves</b>	<b>21,199</b>	<b>11,668</b>	<b>(10,133)</b>	<b>22,734</b>
<b>2008</b>				
General Reserve	13,126	11,632	(6,115)	18,643
Resort and recreation reserve	1,498	2,239	(2,300)	1,437
Contributions for car parking reserve	980	-	-	980
Contribution for C13 infrastructure reserve	139	-	-	139
<b>Total other reserves</b>	<b>15,743</b>	<b>13,871</b>	<b>8,415</b>	<b>21,199</b>
			<b>2009 \$'000</b>	<b>2008 \$'000</b>
<b>Total Other reserves</b>			<b>1,284,471</b>	<b>1,389,539</b>

**Resort and recreation reserve**

The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.

**Contributions for car parking reserve**

The car parking reserve is for the accumulation of developers contributions which are to be expended at a future date on improved car parking facilities.

**Contributions for C13 infrastructure reserve**

The C13 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure.

**Note 28**

**Reconciliation of cash flows provided by operating activities to surplus for the year**

	2009 \$'000	2008 \$'000
Surplus / (deficit) for the year	11,232	(7,878)
Depreciation (see Note 14)	15,852	14,310
Loss on disposal of property, plant and equipment (see Note 9)	2,470	44,045
Impairment loss related to non current financial asset	1,737	442
Non monetary contributed assets	(1,960)	(22,494)
Work in progress amounts transferred to operating expenses	1,015	2,676
Finance costs (see Note 16)	245	342
<b>Change in assets and liabilities</b>		
(Increase)/decrease in receivables	510	(1,951)
(Increase)/decrease in accrued income	(5)	122
(Increase)/decrease in prepayments	(956)	(298)
Increase/(decrease) in payables & trust funds	393	4,497
Increase/(decrease) in provisions	714	(122)
<b>Net cash provided by operating activities</b>	<b>31,247</b>	<b>33,691</b>

**Note 29**

**Reconciliation of cash and cash equivalents**

	2009 \$'000	2008 \$'000
Cash deposits (see Note 17)	9,407	10,307
Cash, equivalents - Bank Bills with maturity less than 3 months	16,000	13,000
	<b>25,407</b>	<b>23,307</b>

**Note 30**

**Financing arrangements**

	2009 \$'000	2008 \$'000
Bank overdraft	1,500	1,500
Used facilities	-	-
<b>Unused facilities</b>	<b>1,500</b>	<b>1,500</b>
Credit Card facilities	99	94
Used facilities	2	4
<b>Unused facilities</b>	<b>97</b>	<b>90</b>

**Note 31**

**Restricted assets**

Council has Cash Assets (Note 17) and Other Financial Assets (Note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Trust Funds (Note 24)	1,776	1,799
Long service leave*	5,280	5,000
Statutory reserve balances (Note 27b)	4,768	2,556
	<b>11,824</b>	<b>9,355</b>

\*Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in Note 25 due to a different basis of calculation prescribed by the regulation.

Additionally, included in Assets Note 22 'Property, infrastructure, plant and equipment' are housing assets which have restrictions on them. These assets which total \$7.1 million (2007/2008: \$7.5 million) are used for community housing and were purchased with assistance from State Government. This funding imposes restrictions preventing Council from using these assets for any other purpose. If the funding conditions in the respective funding agreements for each property are defaulted upon, Council is liable to repay to the State Government an amount determined in those agreements. Based upon the \$7.1 million written down value included in the accounts, the amount that would be required to be repaid to the State Government in a default situation would be \$5.7 million (2007/2008: \$6.0 million).

**Note 32**

**Post-employment benefits**

Council makes employer superannuation contributions in respect of its employees to the Vision Super - Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in the profile and loss when they are due. The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Defined Benefit Plan**

The Fund's Defined Benefit Plan is a multi-employer sponsored plan which was closed to new members from 31 December 1993. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these contributions. Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2008, Council makes the following contributions: - 9.25% of members' salaries (same as previous year) and - the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year).

Fund surplus or deficit (ie the difference between fund assets and liabilities) are calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in a council's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, the council has been advised that no additional contributions will be required as at 30 June 2009. The Actuary will undertake the next actuarial investigation as at 30 June 2010 to ascertain if additional contributions are required.

**Note 32**

**Post-employment benefits (continued)**

**Accounting Standard Disclosure**

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS 25 follows:

	31-Dec-08
	\$'000
Net market value of assets	3,630,432
Accrued benefits	3,616,422
Difference between assets and accrued benefits	14,010
<b>Vested benefits (minimum sum which must be paid to members when they leave the fund)</b>	<b>3,561,588</b>

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50%p.a.
Salary Inflation	4.25%p.a.
Price Inflation	2.75%p.a.

	2009	2008
	\$'000	\$'000
City of Port Phillip employer contributions to Local Authorities Superannuation Fund (Vision Super) - Defined Benefits Plan	469	456
City of Port Phillip employer contributions to Local Authorities Superannuation Fund (Vision Super) - Accumulation	2,988	2,592
City of Port Phillip employer contributions payable to Local Authorities Superannuation Fund (Vision Super at reporting date)	277	-
	<b>3,734</b>	<b>3,048</b>

Refer to Note 35 for Council's ongoing exposure in relation to the Fund's Defined Benefit Plan

**Note 33**

**Commitments**

The Council has entered into the following commitments:

	No later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2009</b>					
<b>Operations</b>					
Assurance services/Internal audit	70	70	35	-	175
Civil infrastructure construction	11,557	10,526	21,051	-	43,134
Cleaning	2,298	-	-	-	2,298
Computer services	699	657	323	-	1,679
Debt collection services	286	286	571	-	1,143
Electricity supply	799	799	799	-	2,397
Fleet services	1,446	1,446	1,446	-	4,338
Food production (Aged and Community care)	739	739	739	-	2,217
Parking services	3,188	2,231	-	-	5,419
Printing and publishing	124	124	222	-	470
Recruitment services	1,019	1,019	1,019	-	3,057
Recycling collection	1,618	1,618	3,235	-	6,471
Rubbish collection	2,262	2,211	2,211	-	6,684
Security services	7	-	-	-	7
St Kilda film festival	30	-	-	-	30
Street tree & parks maintenance	6,237	118	-	-	6,355
Valuations	645	645	-	-	1,290
Vehicle management	277	277	70	-	624
	<b>33,301</b>	<b>22,766</b>	<b>31,721</b>	<b>-</b>	<b>87,788</b>
<b>Capital</b>					
Construction	1,120	-	1,000	-	2,120
<b>TOTAL</b>	<b>34,421</b>	<b>22,766</b>	<b>32,721</b>	<b>-</b>	<b>89,908</b>
<b>2008</b>					
<b>Operations</b>					
Assurance services/Internal audit	30	-	-	-	30
Civil infrastructure construction	7,097	28,388	7,097	-	42,582
Cleaning	1,665	579	-	-	2,244
Community centre maintenance	54	54	54	-	162
Computer services	490	505	-	-	995
Election service	317	-	-	-	317
Electricity supply	1,200	1,200	1,200	-	3,600
Food production (Aged and Community care)	550	-	-	-	505
Health services	50	50	50	-	150
Parking services	1,995	1,995	1,235	-	5,225
Publicity and advertising	245	245	200	-	690
Recycling collection	1,528	1,528	2,292	-	5,348
Rubbish collection	1,764	1,764	2,304	-	5,832
Street furniture	200	200	800	-	1,200
Street tree & parks maintenance	3,958	3,958	3,958	-	11,874
Valuations	250	-	-	-	250
Vehicle management	100	100	200	-	400
	<b>21,493</b>	<b>40,566</b>	<b>19,390</b>	<b>-</b>	<b>81,449</b>
<b>Capital</b>					
Construction	5,524	-	-	-	5,524
<b>TOTAL</b>	<b>27,017</b>	<b>19,390</b>	<b>-</b>	<b>-</b>	<b>86,973</b>

**Note 34**

**Operating lease commitments**

*a) Operating lease commitments*

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities. These obligations are not recognised as liabilities.

	2009 \$'000	2008 \$'000
Not later than one year	1,617	1,154
Later than one year and not later than five years	1,718	1,281
Later than five years	-	-
	<b>3,335</b>	<b>2,435</b>

At the reporting date, Council was a party as lessor under non-cancellable operating leases for the lease of land and buildings. These future commitments of income inflows are not recognised as assets.

*b) Operating lease and licence receivables*

The Council has entered into commercial property leases on its investment properties. These properties held under operating leases have general lease terms of between 1 and 10 years. Most leases include a CPI based revision of the rental charge annually. Council also enters into yearly licence agreements with stallholders at the South Melbourne Market.

	2009 \$'000	2008 \$'000
Not later than one year	5,071	3,292
Later than one year and not later than five years	9,313	7,469
Later than five years	6,229	7,906
	<b>20,613</b>	<b>18,667</b>

**Note 35**

**Contingent liabilities and contingent assets**

**Contingent liabilities**

**Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**Public & Products Liability**

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$400 million of public & products liability insurance and had an excess of \$10,000 for individual claims on this policy in 2008/2009. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

**Professional Indemnity**

As a local authority with statutory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$300 million of professional indemnity insurance and had an excess of \$20,000 on this policy in 2008/2009. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

**Legal matters**

The Council is presently involved in a number of confidential legal matters which are being conducted through Council's solicitors. These matters are yet to be finalised and the financial outcome cannot be determined.

**Contingent assets**

	2009 \$'000	2008 \$'000
Open space contributions		
Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.	<b>1,200</b>	<b>1,415</b>



**Note 36**

**Financial instruments**

**a) Accounting policy, terms and conditions**

Recognised financial instruments	Note	Accounting policy	Terms and conditions
<b>Financial assets</b>			
Cash and cash equivalent assets	17	Cash on hand and at bank and money market call account are valued at face value. Bank bills with a maturity of less than three months are recognised as cash equivalents and are valued at cost.	On call deposits returned floating interest rates of between 2.90% and 8.00% in 2008/2009 (2007/2008: 6.15% and 8.10%). The interest rate at balance date was 2.90% (2007/2008: 7.15% and 8.10%).
Financial assets	18	Bank bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	Bank Bills returned fixed interest rates of between 3.40% and 8.94% in 2008/2009 (2007/2008: 6.53% to 8.94%)
Other debtors	19	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and do not attract interest. Credit terms are based between 0 and 30 days depending on nature of service.
<b>Financial liabilities</b>			
Payables	23	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice.
Interest-bearing loans and borrowings	26	Loans are carried, at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings was fixed at 6.15% in 2008/2009 (6.15% in 2007/2008). As at balance date, the Council did not directly hold any finance leases other than through their interest in the Joint Venture 'Streetsahead'. Lease terms are generally between 2 and 6 years in duration. Penalties may apply should cancellation occur. Interest charges vary according to when the contract was implemented. At balance date, interest rates ranged, from 7.33% to 9.03% in 2008/2009.
Trust Funds and deposits	24	Funds received on behalf of third parties and to which CoPP has no present entitlement are carried at the gross amount and do not attract interest.	Trust funds are unsecured, not subject to interest charges and vary in the timing of settlement in accordance with their specific terms.

**Note 36**

**Financial instruments (continued)**

**b) Interest rate risk**

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date.

Fixed interest maturing in:	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>2009</b>						
<b>Financial assets</b>						
Cash and cash equivalents	9,383	16,000	-	-	24	25,407
Other financial assets	-	7,716	6,263	-	-	13,979
Receivables (excluding Rates, Parking and GST receivables)	2,942	-	-	-	-	2,942
<b>Total financial assets</b>	<b>12,325</b>	<b>23,716</b>	<b>6,263</b>	<b>-</b>	<b>24</b>	<b>42,328</b>
Weighted average interest rate	2.90%	4.09%	4.13%	n/a	n/a	
<b>Financial liabilities</b>						
Payables	-	-	-	-	10,954	10,954
Trust funds	-	-	-	-	1,776	1,776
Interest-bearing loans and borrowings including finance leases	-	779	3,029	-	-	3,808
<b>Total financial liabilities</b>	<b>-</b>	<b>779</b>	<b>3,029</b>	<b>-</b>	<b>12,730</b>	<b>16,538</b>
Weighted average interest rate	n/a	6.15%	6.15%	6.15%	n/a	
<b>Net financial assets (liabilities)</b>	<b>12,325</b>	<b>22,937</b>	<b>3,234</b>	<b>-</b>	<b>(12,706)</b>	<b>25,790</b>

Fixed interest maturing in:	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>2008</b>						
<b>Financial assets</b>						
Cash and cash equivalents	10,271	13,000	-	-	36	23,307
Other financial assets	-	8,000	6,000	-	-	14,000
Receivables (excluding Rates, Parking and GST receivables)	2,846	-	-	-	-	2,846
<b>Total financial assets</b>	<b>13,117</b>	<b>21,000</b>	<b>6,000</b>	<b>-</b>	<b>36</b>	<b>40,153</b>
Weighted average interest rate	7.86%	7.78%	8.62%	n/a	n/a	
<b>Financial liabilities</b>						
Payables	-	-	-	-	10,538	10,538
Trust funds	-	-	-	-	1,799	1,799
Interest-bearing loans and borrowings including finance leases	-	663	2,175	1,045	-	3,883
<b>Total financial liabilities</b>	<b>-</b>	<b>663</b>	<b>2,175</b>	<b>1,045</b>	<b>12,337</b>	<b>16,220</b>
Weighted average interest rate	n/a	6.15%	6.15%	6.15%	n/a	
<b>Net financial assets (liabilities)</b>	<b>13,117</b>	<b>20,337</b>	<b>3,825</b>	<b>(1,045)</b>	<b>(12,301)</b>	<b>23,933</b>

**Note 36**

**Financial instruments (continued)**

**c) Net fair values**

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial instruments	Financial Total carrying amount as per Balance sheet		Aggregate net fair value	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Financial assets</b>				
Cash assets	25,407	23,307	25,407	23,307
Other financial assets	13,979	14,000	13,979	14,000
Receivables	2,942	2,846	2,942	2,846
<b>Total financial assets</b>	<b>42,328</b>	<b>40,153</b>	<b>42,328</b>	<b>40,153</b>
<b>Financial liabilities</b>				
Payables	10,954	10,538	10,954	10,538
Trust funds	1,776	1,799	1,776	1,799
Interest bearing loans and borrowings including finance leases	3,808	3,883	3,808	3,883
<b>Total financial liabilities</b>	<b>16,538</b>	<b>16,220</b>	<b>16,538</b>	<b>16,220</b>

**(d) Credit risk**

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

**Financial instruments (continued)**

**(e) Risks and mitigation**

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

**Market risk**

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989.

We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

**Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

**Note 36**

**Financial instruments (continued)**

	2009 \$'000	2008 \$'000
<b>Movement in provision for doubtful debts - other debtors</b>		
Balance at 1 July 2008	103	55
New Provisions recognised during the year	97	48
Amounts already provided for and written off as uncollectable	11	-
<b>Balance at 30 June 2009</b>	<b>211</b>	<b>103</b>

**Ageing of Trade and Other Receivables (Other Debtors)**

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

The ageing of the Council's Trade & Other Receivables was:

	2009	2008
Current (not yet due)	1,768	1,494
Past due by up to 30 days	58	537
Past due by up to 31 - 60 days	497	200
Past due by up to 61 - 90 days	57	153
Past due by up to 91 plus days	18	361
	<b>2,398</b>	<b>2,745</b>

**Ageing of individually impaired Trade and Other Receivables (Other Debtors)**

At balance date, other debtors representing financial assets with a nominal value of \$755,526 (2008: \$204,460) were impaired. The amount of the provision raised against these debtors was \$211,356 (2008: \$103,074). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2009	2008
Current (not yet overdue)	411	-
Past due by up to 30 days	81	-
Past due by up to 31 - 60 days	28	-
Past due by up to 61 - 90 days	37	-
Past due by up to 91 plus days	198	204
	<b>755</b>	<b>204</b>

**Financial instruments (continued)**

**Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all;

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a portfolio structure that requires surplus funds to be invested within various bands of liquid instruments and with varying maturity dates to meet future cashflow requirements;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities

These amounts represent undiscounted gross payments including both principal and interest amounts

2009	0-12 months \$'000	1-2 years \$'000	2-5 years \$'000	5 years \$'000	Contracted Cash Flows \$'000	Carrying Amount \$'000
Trade and other payables	10,954	-	-	-	10,954	10,954
Trust funds and deposits	1,776	-	-	-	1,776	1,776
Interest bearing liabilities including finance leases	1,015	863	2,593	-	4,471	3,808
	<b>13,745</b>	<b>863</b>	<b>2,593</b>	<b>-</b>	<b>17,201</b>	<b>16,538</b>

2008	0-12 months \$'000	1-2 years \$'000	2-5 years \$'000	5 years \$'000	Contracted Cash Flows \$'000	Carrying Amount \$'000
Trade and other payables	10,538	-	-	-	11,592	10,538
Trust funds and deposits	1,799	-	-	-	1,779	1,779
Interest bearing liabilities including finance leases	903	884	2,314	657	4,758	3,883
	<b>13,240</b>	<b>884</b>	<b>2,314</b>	<b>657</b>	<b>18,149</b>	<b>16,220</b>

**Note 36** Financial instruments (continued)

**(f) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of -0.5% and +1% in market interest rates (AUD) from weighted average year-end rates of 3.94% (2007/08: 7.95%)

At 30 June 2008, a parallel shift of -0.5% and +1% in market interest rates (AUD) from weighted average year-end rates of 7.95% was considered reasonably possible.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Interest Rate Risk					
		-0.5		+1	
2009	\$'000	-50 Profit \$'000	basis points Equity \$'000	+100 Profit \$'000	basis points Equity \$'000
<b>Financial assets</b>					
Cash and cash equivalents	25,407	(127)	(127)	254	254
Financial assets	13,979	(70)	(70)	140	140
Receivables	2,942	-	-	-	-
<b>Financial liabilities</b>					
Payables	10,954	-	-	-	-
Trust funds	1,776	-	-	-	-
Interest bearing loans	3,808	-	-	-	-

Interest Rate Risk					
		-0.5		+1	
2008	\$'000	-50 Profit \$'000	basis points Equity \$'000	+100 Profit \$'000	basis points Equity \$'000
<b>Financial assets</b>					
Cash and cash equivalents	23,307	(117)	(117)	233	233
Financial assets	14,000	(70)	(70)	140	140
Receivables	2,846	-	-	-	-
<b>Financial liabilities</b>					
Payables	10,538	-	-	-	-
Trust funds	1,799	-	-	-	-
Interest bearing loans	3,883	-	-	-	-

**Note 37** Auditors' remuneration

	2009 \$'000	2008 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	62	54
Internal audit fees and other like services - WHK Day Neilson	86	58
Internal audit fees and other like services - Pitcher Partners	49	-
	<b>197</b>	<b>112</b>

**Note 38** Related part transactions

**(i) Responsible Persons**

Role	Responsible Persons
Councillors	Frank O'Connor (Mayor from 8 December 2008 to Current) Judith Klepner (Councillor to 29 November 2008 and from 8 December 2008) Janet Bolitho (Councillor to 29 November 2008 and from 8 December 2008) Serge Thomann (Councillor from 8 December 2008) Rachel Pawning (Councillor from 8 December 2008) John Middleton (Councillor from 8 December 2008) Jane Touzeau (Councillor from 8 December 2008) Janet Cribbes (Mayor to 29 November 2008) Dick Gross (Councillor to 29 November 2008) Peter Logan (Councillor to 29 November 2008) Darren Ray (Councillor to 29 November 2008) Karen Sa it (Councillor to 29 November 2008)
Chief Executive Officer	Kay Rundle (18 May 2009 to Current) Interim - Darrell Treloar (13 February 2009 to 17 May 2009) David Spokes (1 July 2008 to 21 January 2009)

**(ii) Remuneration of Responsible Persons**

	2009 No.	2008 No.
Annual remuneration of responsible persons were within the following bands:		
\$0 - \$9,999	4	-
\$10,000 - \$19,999	5	5
\$20,000 - \$29,999	2	-
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$80,000 - \$89,999	1	-
\$290,000 - \$299,999	-	1
\$380,000 - \$389,999*	1	-
	<b>15</b>	<b>8</b>

	2009 \$'000	2008 \$'000
Total remuneration for the year for Responsible Persons included above amounted to	<b>734</b>	<b>460</b>

**(iii)** No retirement benefits have been paid by the Council to a Responsible Person (2007/2008: Nil).

**(iv)** No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2007/2008: Nil).

**Note 38**

**Related part transactions (continued)**

**(v) Other Transactions**

No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons, during the reporting year (2007/2008: Nil).

**(vi) Senior Officers Remuneration**

A Senior Officer, other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration of \$100,000 or greater. The number of Senior Officers, other than Responsible Persons, are shown below in their relevant income bands:

Income Range	2009 No.	2008 No.
\$100,000 - \$109,999	21	9
\$110,000 - \$119,999	9	6
\$120,000 - \$129,999	4	3
\$130,000 - \$139,999	3	6
\$140,000 - \$149,999	8	2
\$150,000 - \$159,999	3	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	-	2
\$220,000 - \$229,999	1	1
\$440,000 - \$449,999*	1	-
\$500,000 - \$509,999*	1	-
	<b>53</b>	<b>31</b>

	\$'000	\$'000
<b>Total Remuneration for the reporting year for Senior Officers</b>	<b>7,290</b>	<b>4,066</b>

\*Total remuneration includes payment of accumulated employee leave entitlements, including annual leave and long service leave accrued during the senior officers employment within local government and any termination payments following their departure from the Council.

**Note 39**

**Joint venture information**

**JOINT VENTURE - STREETS AHEAD CLEANING SERVICE**

In 2000, Port Phillip City Council and Stonnington City Council, pursuant to an agreement, commenced operating a joint venture Streetsahead for the purpose of providing street cleaning, beach and foreshore cleaning, litter bin clearing etc. to their municipalities. Council purchases cleaning services from Streetsahead on normal commercial terms and conditions. Council has a 50% interest in the joint venture which is detailed below.

The results from operations and the assets and liabilities of Streetsahead have been consolidated into Council's accounts. The figures over the page represent Council's 50% share of Streetsahead's accounts as at 30 June 2009. As at the date of producing this report Streetsahead's accounts were awaiting audit clearance.

**Note 39**

**Joint venture information (continued)**

	2009 \$'000	2008 \$'000
Revenue from continuing operations	3,784	3,471
Expenses from continuing operations	3,658	3,437
<b>Net surplus from continuing operations</b>	<b>126</b>	<b>34</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Surplus for the year</b>	<b>126</b>	<b>34</b>

Councils share of the joint venture assets and liabilities are as follows:

	2009 \$'000	2008 \$'000
<b>Current Assets</b>		
Cash assets	1,286	1,044
Receivables	361	343
Others	9	5
<b>Total current assets</b>	<b>1,656</b>	<b>1,392</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,157	742
<b>Total Non-Current Assets</b>	<b>1,157</b>	<b>742</b>
<b>Total Assets</b>	<b>2,813</b>	<b>2,134</b>
<b>Current Liabilities</b>		
Payables	292	208
Employee benefits	529	466
Interest bearing liabilities	284	197
<b>Total Current Liabilities</b>	<b>1,105</b>	<b>871</b>
<b>Non-Current Liabilities</b>		
Employee benefits	96	81
Interest bearing liabilities	717	413
<b>Total Non-Current Liabilities</b>	<b>813</b>	<b>494</b>
<b>Total Liabilities</b>	<b>1,918</b>	<b>1,365</b>
<b>Net Assets</b>	<b>895</b>	<b>768</b>
<b>Represented by:</b>		
Accumulated surplus	423	296
Joint Venture Equity	472	472
<b>Total Equity</b>	<b>895</b>	<b>768</b>

**Note 40**

**Income, expenses and assets by function/activity**

Rather than provide segment information as required per Accounting Standards, the Local Government Regulations require the following program based disclosures:

	Community Assets and Services		Community Development and Planning		Organisation Systems and Support		CEO and Finance		Other* Non Attributed		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>												
Grants	6,768	5,386	2,523	2,591	4	13	2,587	-	-	-	11,912	7,990
Other	13,533	10,790	35,668	36,221	3,146	4,056	478	-	76,903	93,838	129,728	144,905
<b>Total Income</b>	<b>20,331</b>	<b>16,176</b>	<b>38,191</b>	<b>38,812</b>	<b>3,150</b>	<b>4,069</b>	<b>3,065</b>	<b>-</b>	<b>76,903</b>	<b>93,838</b>	<b>141,640</b>	<b>152,895</b>
<b>Expenses</b>	<b>54,969</b>	<b>53,231</b>	<b>36,019</b>	<b>32,401</b>	<b>19,804</b>	<b>31,096</b>	<b>17,146</b>	<b>-</b>	<b>2,470</b>	<b>44,045</b>	<b>130,408</b>	<b>160,773</b>
<b>Net Surplus/ (deficit) for year</b>	<b>(34,638)</b>	<b>(37,055)</b>	<b>2,172</b>	<b>6,411</b>	<b>(16,654)</b>	<b>(27,027)</b>	<b>(14,081)</b>	<b>-</b>	<b>74,433</b>	<b>49,793</b>	<b>11,232</b>	<b>(7,878)</b>
<b>Total Assets by Division</b>	<b>35,425</b>	<b>31,233</b>	<b>(13,261)</b>	<b>(11,513)</b>	<b>1,313</b>	<b>3,079</b>	<b>1,855,623</b>	<b>1,950,640</b>	<b>-</b>	<b>-</b>	<b>1,879,100</b>	<b>1,973,439</b>

\*The column 'Other Not Attributed' includes general rates, reserves write back and current assets

**ACTIVITIES**

**Community Assets & Services**

Responsible for ensuring effective delivery of environmental, engineering, customer and community services.

The Division includes the following Departments:

Asset Services, Infrastructure Services, Community Services, Parks & Open Spaces, South Melbourne Market and Building Services.

**Community Development & Planning**

Responsible for economic development & tourism, strategic and community planning and facilitation, building and planning, culture & recreation, health and amenity services and parking enforcement.

The Division includes the following Departments:

City Development, Parking Health & Enforcement, Economic Development & Tourism, Environment & Renewal, Culture & Recreation and Community Development & Participation.

**Organisation Systems & Support**

Responsible for internal business support in information systems and human resources; as well as property and regulatory services, and corporate planning.

The Division includes the following Departments:

Governance & Risk Management, Information Management Group, People & Culture, Customer Service, Communications and Corporate Planning & Performance.

**Chief Executive Officer & Finance**

Responsible for collection of rates and other income, payment of suppliers, payroll, fleet management and financial management.

This Division includes the CEO & Finance Department.

**Note 41**

**Financial ratios**

	2009	2008	2007
	\$'000	\$'000	\$'000

**(a) Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

Debt servicing costs	245	= 0.17%	342	= 0.22%	544	= 0.44%
Total revenue	141,642		152,895		125,698	

Debt servicing costs refer to the payment of interest on loan borrowings, finance leases and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

**(b) Debt commitment ratio** (to identify Council's debt redemption strategy)

Debt servicing & redemption costs	895	= 1.19%	4,989	= 6.99%	1,417	= 2.06%
Rate revenue	74,943		71,344		68,732	

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

**(c) Revenue ratio** (to identify Council's dependence on rate income)

Rate revenue	74,943	= 53.65%	71,344	= 54.71%	68,732	= 54.68%
Total revenue	139,681		130,400		125,698	

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. Total revenue excludes one off non-monetary contributed assets (refer to Note 7).

**(d) Debt Exposure Ratio** (to identify Council's exposure to debt)

Total debt	13,372	= 1:37.31	14,809	= 1:33.32	16,356	= 1:27.46
Total realisable assets	519,779		493,382		449,159	

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. The following assets are excluded from total assets when calculating Council's realisable assets controlled land, controlled buildings, roads, lanes, footpaths, kerb and channel and bridges, drains, heritage assets, works of art and restricted assets. Any liability represented by a restricted asset (Note 31) is excluded from total indebtedness. This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

**(e) Working Capital Ratio** (to assess Council's ability to meet current commitments)

Current assets	46,145	= 2.23:1	43,878	= 2.22:1	52,386	= 2.66:1
Current liabilities	20,730		19,992		19,729	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

**(f) Adjusted Working Capital Ratio** (to assess Council's ability to meet current commitments)

Current assets	46,145	= 2.36:1	43,878	= 2.37:1	52,386	= 2.79:1
Current liabilities	19,565		18,727		18,788	

The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

**Note 42**

**Comparison of Actual to Rate Determination Budget**

The principal budget document used by Council to monitor its financial performance is the Cash Income Statement or Rate Determination Statement. This note has been included to provide the reader with a snapshot of Council's performance against the budget. The surplus of \$8.776 million is primarily attributable to a cumulative capital works carry over of \$6.869 million which will be funded in the 2009/10 budget (2008/09 - \$7.149 million).

Rate Determination				
	2009	2009	2008	2008
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
Rates	74,943	73,680	71,344	70,847
Government grants	9,874	8,010	9,848	7,647
Capital revenue	3,936	1,665	2,239	1,645
Parking revenue	21,735	21,927	21,205	22,429
Capital grants	2,725	630	348	805
Fees and charges	13,058	14,887	12,592	13,624
Interest received	2,039	1,650	2,720	1,650
Other income	9,572	8,026	9,852	7,952
<b>Total revenue from ordinary activities</b>	<b>137,882</b>	<b>130,475</b>	<b>130,147</b>	<b>126,599</b>
<b>Expenses</b>				
Employee costs	46,884	46,126	44,326	41,412
Contract services	34,029	35,252	29,713	33,474
Materials and other costs	25,767	24,025	22,917	23,795
Depreciation	-	-	-	-
Interest paid	191	191	342	218
<b>Total expenses from ordinary activities</b>	<b>106,871</b>	<b>105,594</b>	<b>97,299</b>	<b>98,899</b>
<b>Net cash surplus from operations for the year</b>	<b>31,011</b>	<b>24,881</b>	<b>32,848</b>	<b>27,700</b>
Capital expenditure	(29,031)	(28,777)	(35,134)	(22,839)
Loan repayments	(466)	(466)	(4,497)	(4,497)
Reserve transfers (net)	(1,535)	3,520	(5,456)	(449)
Brought forward surplus	8,797	8,797	21,036	21,036
<b>Rate determination surplus</b>	<b>8,776</b>	<b>7,955</b>	<b>8,797</b>	<b>20,951</b>

**Note 43**

**Capital expenditure**

	2009	2008
	\$'000	\$'000
<b>Capital expenditure areas:</b>		
Roads, lanes, footpaths, kerb and channel and bridges	9,900	11,850
Drains	663	62
Buildings	8,056	8,824
Land improvements	6,129	8,474
Plant and equipment	747	1,230
Furniture and fittings	945	2,928
Heritage assets and works of art	28	21
<b>Total capital works</b>	<b>26,468</b>	<b>33,389</b>
Represented by:		
Renewal	13,272	10,819
Upgrade	6,766	12,814
Expansion	-	-
New assets	6,430	9,756
<b>Total capital works</b>	<b>26,468</b>	<b>33,389</b>

The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:

	2009	2008
	\$'000	\$'000
Total capital works	26,468	33,389
Asset revaluation movement (see Note 27(a))	(106,603)	273,522
Depreciation (see Note 14)	(15,852)	(14,310)
Written down value of assets disposed (see Note 9)	(2,470)	(44,093)
Contributed assets (see Note 7)	1,960	22,494
WIP write off to operating expenses (see Note 22)	(1,015)	(3,158)
Joint venture assets consolidated	643	38
Assets held for sale (see Note 21)	-	-
<b>Net movement in property, infrastructure, plant &amp; equipment</b>	<b>(96,869)</b>	<b>267,882</b>

**(a) Renewal**

Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or subcomponents of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue but may reduce future operating and maintenance expenditure if completed at the optimum time.

**(b) Upgrade**

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

**(c) Expansion**

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.

**(d) New assets**

Expenditure on new assets that were previously recognised in Council's financial report and are recognised for the first time.

## Certification of the Financial Report

In my opinion, the accompanying financial report has been prepared in accordance with the Local Government Act 1989, applicable Local Government Regulations, Australian Accounting Standards and Interpretations and other mandatory professional reporting requirements.

DAVID FILMALTER MBL CA  
PRINCIPAL ACCOUNTING OFFICER  
Date: 1/9/2009  
St Kilda

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Port Phillip for the year ended 30 June 2009 and the financial position of the Council as at that date. As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate. We were authorised by the Council on 31 August 2009 to certify the financial report in its final form on behalf of the Council.

FRANK O'CONNOR  
MAYOR & COUNCILLOR  
Date: 1/9/2009  
St Kilda

JUDITH KLEPNER  
DEPUTY MAYOR & COUNCILLOR  
Date: 1/9/2009  
St Kilda

KAY RUNDLE  
CHIEF EXECUTIVE OFFICER  
Date: 1/9/2009  
St Kilda

# Standard Statements for the year ended 30 June 2009

## Standard Income Statement for the year ending 30 June 2009

	2009 Budget \$'000	2009 Actual \$'000	Variance \$'000	%	Note
<b>Revenue</b>					
Rates and garbage charges	73,680	74,943	1,263	1.7%	2.1
Operating grants	8,010	10,044	2,034	25.4%	2.2
Capital grants	630	1,868	1,238	196.5%	2.3
Contributions	1,665	6,582	4,917	295.3%	2.4
Interest	1,650	2,100	450	27.3%	2.5
User charges and other fines	12,076	10,816	(1,260)	(10.4%)	2.6
Statutory fees and fines	2,681	2,242	(439)	(16.4%)	2.7
Parking fees and fines	23,487	23,828	341	1.5%	
Other revenue	1,734	3,163	1,429	82.4%	2.8
Rent	6,422	6,054	(368)	(5.7%)	
<b>Total Revenues</b>	<b>132,035</b>	<b>141,640</b>	<b>9,605</b>	<b>7.3%</b>	
<b>Expenses</b>					
Employee benefits	46,126	48,911	(2,785)	(6.0%)	2.9
Materials and consumables	14,463	18,073	(3,610)	(25.0%)	2.10
External contracts	35,252	30,614	4,638	13.2%	2.11
Bad and doubtful debts	1,690	2,212	(522)	(30.9%)	2.12
Utility payments	2,191	2,127	64	2.9%	
Professional services	3,577	4,775	(1,198)	(33.5%)	2.13
Finance costs	191	245	(54)	(28.3%)	
Depreciation	13,200	15,852	(2,652)	(20.1%)	2.14
Loss on disposal of property, infrastructure, plant and equipment		2,470	(2,470)	100.0%	2.15
Other Expenses	3,663	5,129	(1,466)	(40.0%)	2.16
<b>Total Expenses</b>	<b>120,353</b>	<b>130,408</b>	<b>(10,055)</b>	<b>(8.4%)</b>	
<b>Surplus / (deficit) for the year</b>	<b>11,682</b>	<b>11,232</b>	<b>(450)</b>	<b>(3.9%)</b>	

The accompanying notes form part of this standard statement



## Standard Balance Sheet as at 30 June 2009

	2009 Budget \$'000	2009 Actual \$'000	Variance \$'000	%	Note
<b>Current assets</b>					
Cash assets	23,638	25,407	1,769	7.5%	3.1
Financial assets	-	7,716	7,716	100%	3.1
Receivables	10,827	10,075	(752)	(6.9%)	
Other assets	1,469	1,747	278	18.9%	3.2
Assets held for sale	-	1,200	1,200	100.0%	3.3
<b>Total current assets</b>	<b>35,934</b>	<b>46,145</b>	<b>10,211</b>	<b>28.4%</b>	
<b>Non-current assets</b>					
Financial assets	5	6,268	6,268	125260.0%	3.1
Receivables	2	-	(2)	(100.0%)	
Property, infrastructure, plant and equipment	1,706,972	1,826,687	119,715	7.0%	3.4
<b>Total non-current assets</b>	<b>1,706,972</b>	<b>1,832,955</b>	<b>125,976</b>	<b>7.4%</b>	
<b>Total assets</b>	<b>1,742,913</b>	<b>1,879,100</b>	<b>136,187</b>	<b>7.8%</b>	
<b>Current liabilities</b>					
Payables	7,192	10,954	(3,762)	(52.3%)	3.5
Trust funds and deposits	591	1,776	(1,185)	(200.5%)	3.6
Provisions	6,360	7,221	(861)	(13.5%)	3.7
Interest-bearing loans and borrowings	495	779	(284)	(57.4%)	3.8
<b>Total current liabilities</b>	<b>14,638</b>	<b>20,730</b>	<b>(6,092)</b>	<b>(41.6%)</b>	
<b>Non-current liabilities</b>					
Provision	1,297	1,437	(140)	(10.8%)	3.7
Interest-bearing loans and borrowings	2,312	3,029	(717)	(31.0%)	3.8
<b>Total non-current liabilities</b>	<b>3,609</b>	<b>4,466</b>	<b>(857)</b>	<b>(23.7%)</b>	
<b>Total liabilities</b>	<b>18,247</b>	<b>25,196</b>	<b>(6,949)</b>	<b>-38.1%</b>	
<b>Net assets</b>	<b>1,724,666</b>	<b>1,853,904</b>	<b>129,238</b>	<b>7.5%</b>	
<b>Equity</b>					
Accumulated surplus	608,834	569,433	(39,401)	(6.5%)	
Asset revaluation reserves	1,103,160	1,261,737	158,577	14.4%	3.9
Other reserves	12,672	22,734	10,062	79.4%	3.10
<b>Total equity</b>	<b>1,724,666</b>	<b>1,853,904</b>	<b>129,238</b>	<b>7.5%</b>	

The accompanying notes form part of this standard statement

## Standard Cash Flow Statement for the year ending 30 June 2009

	2009 Budget \$'000	2009 Actual \$'000	Variance \$'000	%	Note
<b>Cash flows from operating activities</b>					
Receipts from customers	73,680	75,152	1,472	2.0%	
Payments to suppliers (inclusive of GST)	(35,252)	(41,911)	(6,659)	(18.9%)	4.1
<b>Net cash inflow/(outflow) from customers/suppliers</b>	<b>38,428</b>	<b>33,241</b>	<b>(5,187)</b>	<b>(13.5%)</b>	
Parking fees and fines	21,927	21,920	(7)	(0.0%)	
Government grants (inclusive of GST)	8,010	10,401	2,391	29.9%	4.2
Contributions	1,665	4,622	2,957	177.6%	4.3
Capital grants	630	1,868	1,238	196.5%	4.4
Interest received	1,650	2,095	445	27.0%	4.5
Other receipts (inclusive of GST)	22,913	22,959	46	0.2%	
Net GST refund	-	6,232	6,232	100.0%	4.6
Payments to employees	(46,126)	(48,138)	(2,012)	(4.4%)	
Other payments	(24,025)	(23,953)	72	0.3%	
<b>Net cash inflow from operating activities</b>	<b>25,072</b>	<b>31,247</b>	<b>6,175</b>	<b>24.6%</b>	
<b>Cash flows from investing activities</b>					
Proceeds from sale of financial assets	-	8,000	8,000	100%	4.7
Payments for financial assets	-	(9,716)	(9,716)	-100.0%	4.7
Payments for property, infrastructure, plant and equipment	(36,777)	(26,536)	10,241	27.8%	4.8
<b>Net cash (outflow) from investing activities</b>	<b>(36,777)</b>	<b>(28,252)</b>	<b>8,525</b>	<b>(23.2%)</b>	
<b>Cash flows from financing activities</b>					
Repayment of borrowings	(466)	(650)	(184)	-39.5%	
Borrowing costs	(191)	(245)	(54)	-28.3%	
<b>Net cash (outflow) from financing activities</b>	<b>(657)</b>	<b>(895)</b>	<b>(238)</b>	<b>-36.2%</b>	
Net increase / (decrease) in cash held	(12,362)	2,100	14,462	(117.0%)	
Cash at the beginning of the financial year	36,000	23,307	(12,693)	(35.3%)	
<b>Cash at the end of the financial year</b>	<b>23,638</b>	<b>25,407</b>	<b>1,769</b>	<b>7.5%</b>	
<b>Reconciliation of Operating Result and Net Cash Flows</b>					
Net surplus from operations	11,682	11,232	450		
Depreciation	13,200	15,852	(2,652)		
Loss on disposal of property, infrastructure, plant and equipment	-	2,470	(2,470)		
Impairment loss related to non current financial asset	-	1,737	(1,737)		
Non monetary contributed assets	-	(1,960)	1,960		
Work in progress amounts transferred to operating expenses	-	1,015	(1,015)		
Finance costs	191	245	(54)		
Net movement in assets and liabilities	-	656	(656)		
<b>Net cash inflows from operating activities</b>	<b>25,073</b>	<b>31,247</b>	<b>(6,174)</b>		

The accompanying notes form part of this standard statement

## Standard Statement of Capital Works for the year ending 30 June 2009

	2009 Budget \$'000	2009 Actual \$'000	Variance \$'000	%	Note
<b>Capital Works Areas</b>					
Roads, lanes, footpaths kerb and channel and bridges	9,910	9,900	10	0.1%	
Drains	700	663	37	5.3%	
Buildings	7,119	8,056	(937)	(13.2%)	5.1
Land improvements	7,980	6,129	1,851	23.2%	5.2
Plant and equipment	3,068	747	2,321	75.7%	5.3
Furniture and fittings	-	945	(945)	100%	5.4
Heritage assets and works of art	-	28	(28)	100%	5.5
<b>Total capital works</b>	<b>28,777</b>	<b>26,468</b>	<b>(2,309)</b>	<b>(8.0%)</b>	
<b>Represented by:</b>					
Renewal	9,816	13,272	(3,456)	(32.2%)	5.6
Upgrade	6,780	6,766	14	0.2%	
New Assets	12,181	6,430	5,751	47.2%	5.7
Expansion	-	-	-	0.0%	
<b>Total capital works</b>	<b>28,777</b>	<b>26,468</b>	<b>(2,309)</b>	<b>(8.0%)</b>	

	2009 Budget \$'000	2009 Actual \$'000	Variance \$'000
<b>Property, Infrastructure, Plant and Equipment movement reconciliation worksheet</b>			
The movement between the previous year and current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:			
Total capital works	33,709	26,468	(7,241)
Asset revaluation movement	-	(106,603)	(106,603)
Depreciation and amortisation	(13,200)	(15,852)	(2,652)
Written down value of assets disposed	-	(2,470)	(2,470)
Work in progress amounts transferred to operating	-	(1,015)	(1,015)
Joint venture assets consolidated	-	643	643
Capital expenditure	3,068	-	(3,068)
Contributed Assets	-	1,960	1,960
<b>Net movement in property, infrastructure, plant and equipment</b>	<b>23,577</b>	<b>(96,869)</b>	<b>(120,446)</b>

The accompanying notes form part of this standard statement

## Notes to the Standard Statements for the year ended 30 June 2009

### Note 1 - Basis of preparation of Standard Statements

The City of Port Phillip is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the 2008/2009 Budget. The results reported in these Statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which is included in the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare the Council's financial plan, expressed through its annual budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent or variances greater than \$2 million, whichever is the lower. Explanations have not been provided for variations below a materiality threshold of \$200K unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by the Council on 23 June 2008. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet the Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Report. The detailed budget can be obtained by contacting Councilor through the Council's web site. The Standard Statements must be read in conjunction with these documents.

## Explanation of material variances Standard Income Statement for the year ending 30 June 2009

### Note 2 - Variance Explanation Report

Ref	Item	Explanation
2.1	Rates and garbage charges	Favourable variance of \$1.263M primarily due to the impact of unbudgeted supplementary rates raised of \$1.265M throughout the 2008/09 financial year.
2.2	Operating grants	Favourable variance of \$2.034M due to the following: - \$742K due to the early receipt of the first quarterly installment of the 2009/10 grants commission allocation in 2008/09 and the grants commission allocation exceeding expectations for 2008/09 - \$307K as a result of the indexation of various community services grants - \$237K due to additional libraries and festivals grants - \$224K due to additional grants for Social Inclusion, Metro Access and Linking Neighbours programs
2.3	Capital grants	Favourable variance of \$1.238M due to the receipt of unbudgeted grants including: - Cleve Plaza/Jacka Crossing \$574K - Clarendon street pedestrian safety \$227K - Garden City reserve playspace works \$182K
2.4	Contributions	Favourable variance of \$4.918M being: - the transfer of the land and buildings of Lady Forster Kindergarten from the state government \$1.960M - developer contributions \$2.271M favourable due to the number of large property developments in the municipality being completed in the early part of 2008/09 - unbudgeted capital works contributions for Cleve Plaza/Jacka Crossing (\$430K) and Murphy Reserve (\$218K)
2.5	Interest	Favourable variance of \$450K as delays in completing some large capital work projects allow these funds to be available for investments.
2.6	User charges and other fines	Unfavourable variance of \$1.259M due to reduced utilisation of child care centres, reduced levels of home based care and lower than anticipated footpath trading income.
2.7	Statutory fees and fines	Unfavourable variance of \$439K due to lower than anticipated kerbside permits income due to a reduction in renewed permits.
2.8	Other revenue	Favourable variance of \$1.429M due to: - the receipt of unbudgeted developer contributions for the Red Bears development (\$338K) - unbudgeted contribution from DPCD for the Playspace upgrade capital project (\$80K) - higher than anticipated revenue received for the sale of valuation data to the State Revenue Office (\$158K) - favourable consolidation adjustment for the Streetsahead joint venture project that was not accounted for in the 2008/09 budget (\$159K).
2.9	Employee benefits	Unfavourable variance of \$2.785M primarily due to the consolidation adjustment of \$2.354M for the Streetsahead joint venture project not accounted for in the 2008/09 budget.
2.10	Materials and consumables	Unfavourable variance of \$3.610M due to the reallocation of work in progress and capital works expenditure recognised as operating expenditure.
2.11	External contracts	Favourable variance of \$4.638M due to the consolidation adjustment of \$3.291 M for the Streetsahead joint venture and lower than anticipated building maintenance expenditure.
2.12	Bad and doubtful debts	Unfavourable variance of \$522K due to - higher than anticipated PERIN parking debtor provision for doubtful debts (\$474K) - review of sundry debtors provision for doubtful debts at year end increasing the provision compared to budget (\$100K).
2.13	Professional services	Unfavourable variance of \$1.198M primarily due to increased legal fees in relation to the St Kilda Triangle site and additional consultancy fees for the South Melbourne Market.
2.14	Depreciation	Unfavourable variance of \$2.652M due to the following: - Full years depreciation of new furniture and fittings relating to the St Kilda Town Hall redevelopment (\$674K) - Increased depreciation in building assets (\$820K) as a result of additions over the past two years of \$35.628M requiring depreciation to be charged over 12 months. - New assets such as the Palais Theatre being depreciated during the financial year.
2.15	Loss on disposal of assets	Unfavourable variance of \$2.470M due to the disposal of the following assets: - \$549K related to the disposal of land identified as owned by the Department of Education and subsequently removed from Council's asset register - \$1.406M related to the disposal of infrastructure assets replaced and/or upgraded as a result of the capital works program. - \$115K related to the disposal of plant and equipment no longer in use by Council.
2.16	Other expenses	Unfavourable variance of \$1.466M due to Council recognising an impairment charge of \$1.747M on one of the investments it holds (a floating rate note of \$3M with Deutsche Bank which has a maturity date of 23/11/2012). This is an unrealised loss and current expectations are that this loss will be written back in subsequent years as the global financial crisis recedes.

## Explanation of material variances Standard Balance Sheet as at 30 June 2009

### Note 3 - Variance Explanation Report

Ref	Item	Explanation
3.1	Cash assets Financial assets Current and non-current	Council's budget for investments is grouped together as cash assets. The overall favourable variance of \$15.748M is due to \$6.869M relating to the delay in expending the capital works program that is planned for completion during 2009/10 and a favourable variance of \$10.062M in Council's cash backed other reserves compared to budget (see note 3.10 over the page for further details). The \$6.263M favourable variance in non-current financial assets relates to Council investing in two longer term bank bills greater than 12 months which was included in the cash asset balance in the 2008-09 budget.
3.2	Other assets	The favourable variance of \$278K is due to an increase in the prepayment of insurance for the 2009/2010 financial year.
3.3	Assets held for sale	Council is holding a property of 2 Princes Street for sale which was expected to be settled during this financial year and was not accounted for when the 2008/09 budget was adopted in June 2008.
3.4	Property, infrastructure, plant and equipment	The favourable variance of \$119.715M is due to the following adjustments not accounted for when the budget was adopted in June 2008: - \$158.6M being the net impact of land revaluations taken up in the last two financial years since the budget was adopted - \$3M being land improvements revaluation increment at 30 June 2009 - (\$42M) of land and building housing assets transferred from Council to the Port Phillip Housing Trust - \$2M contributed land and building assets relating to the planned redevelopment of Lady Forster Kindergarten
3.5	Payables	The variance of \$3.762M is due to increased accounts payable commitments at year end compared to the estimate projected in the 2008/09 budget.
3.6	Trust funds	The variance of \$1.185M is largely due to Asset Protection Deposits which were not accounted for when the 2008/09 budget was adopted in June 2008.
3.7	Provisions- Current and non-current	The overall increase of \$1.001M is attributed to staff accumulating leave balances and increases in pay rates which was not accounted for when the 2008/09 budget was adopted. The increase in the non current provision reflects turnover of staff during the financial year, which has reduced the probability of employees being entitled to long service leave.
3.8	Interest bearing liabilities - Current and non-current	The overall increase of \$1.001M reflects the inclusion of Council's Streetsahead joint venture finance lease liability which was not accounted for when the 2008/09 budget was adopted in June 2008.
3.9	Asset revaluation reserves	The variance of \$158.577M is largely due to significant land revaluations being undertaken in the 2007/08 and 2008/09 financial years which were not accounted for when the 2008/09 budget was adopted in June 2008.
3.10	Other reserves	The favourable increase of \$10.062M is due to: - net developer contributions of \$2.213M being received and transferred to reserve - delays in drawing down Council reserves for major projects including Gasworks Park remediation \$1.926M and the St Kilda Family and Children's Centre \$700K - the 2008/09 budgeted opening reserve balance being understated by \$5.010M against the actual 2007/08 year end balance.

## Explanation of material variances Standard Cash Flow Statement for the year ending 30 June 2009

### Note 4 - Variance Explanation Report

Ref	Item	Explanation
4.1	Payments to suppliers (inclusive of GST)	The unfavourable variance of \$6.659M is due to the consolidation adjustment of \$3.291M for the Streetsahead joint venture and lower than anticipated building maintenance expenditure.
4.2	Government grants (inclusive of GST)	The favourable variance of \$2.391M is due to the following: <ul style="list-style-type: none"> <li>- \$742K due to the early receipt of the first quarterly installment of the 2009/10 grants commission allocation in 2008/09 and the grants commission allocation exceeding expectations for 2008/09</li> <li>- \$307K as a result of the indexation of various community services grants</li> <li>- \$237K due to additional libraries and festivals grants</li> <li>- \$224K due to additional grants for Social Inclusion, Metro Access and Linking Neighbours programs</li> </ul>
4.3	Contributions	The favourable variance of \$2.957M is due to: <ul style="list-style-type: none"> <li>- developer contributions \$2.271M favourable due to the number of large property developments in the municipality being completed in the early part of 2008/09</li> <li>- unbudgeted capital works contributions for Cleve Plaza I Jacka Crossing (\$430K) and Murphy Reserve (\$218K)</li> </ul>
4.4	Capital grants	Favourable variance of \$1.238M due to the receipt of unbudgeted grants including: <ul style="list-style-type: none"> <li>- Cleve Plaza I Jacka Crossing \$574K</li> <li>- Clarendon street pedestrian safety \$227K</li> <li>- Garden City reserve playspace works \$182K</li> </ul>
4.5	Interest received	The favourable variance of \$445K is due to an increase in funds available for investment as a result of delays in expending Council's capital program.
4.6	Net GST refund	The variance of \$6.232M is attributable to the budget not accounting for receipt of GST refunds from the Australian Tax Office when the 2008/09 budget was adopted in June 2008.
4.7	Proceeds from sale and payments for financial assets	The net payments of \$1.716M is attributable to the 2008/09 budget not reflecting investment transactions and balances, but reflecting the overall increase from Council's budgeted cash position as a whole.
4.8	Payments for property, infrastructure, plant and equipment	The variance of \$10.241M is attributable to: <ul style="list-style-type: none"> <li>- budgeted capital works projects to the value of \$6.869M to be completed in 2009/10</li> <li>- delays in the scheduling of Gasworks remediation works transferred to cash reserves \$2.423M</li> </ul>

## Explanation of material variances continued Standard Statement of Capital Works for the year ending 30 June 2009

### Note 5 - Variance Explanation Report

Ref	Item	Explanation
5.1	Buildings	A net overexpenditure of \$937K is due to: <ul style="list-style-type: none"> <li>- the completion of \$2.179M of projects carried over from the 2007/08 financial year</li> <li>- an underexpenditure of \$1.242M due to delays in expending the 2008/09 budget for St Kilda Family and Childrens' Centre, Liardet Street Family and Childrens' Centre and Urban Studies Centre</li> </ul>
5.2	Land improvements	A net underexpenditure of \$1.851M is due to: <ul style="list-style-type: none"> <li>- delays in expending \$1.629M of the 2008/09 capital budget for Sandridge Beach, Promenade, Cleve Plaza and St Kilda Skate Park</li> <li>- \$2.423M of soil remediation works at Gasworks Park not expended</li> <li>- completion of \$1.899M of projects carried over from the 2007/08 financial year</li> </ul>
5.3	Plant and equipment	The 2008/09 budget figures do not account for the split between plant and equipment; furniture and fittings and heritage assets. Overall underexpenditure of \$1.348M due to items purchased not meeting Council's capitalisation threshold and transferred to operating expenditure, coupled with minor delays in expending the information technology capital budget.
5.4	Furniture and fittings	The 2008/09 budget figures do not account for the split between plant and equipment; furniture and fittings and heritage assets. Overall underexpenditure of \$1.348M due to items purchased not meeting Council's capitalisation threshold and transferred to operating expenditure coupled with minor delays in expending the information technology capital budget.
5.5	Heritage assets and works of art	The 2008/09 budget figures do not account for the split between plant and equipment; furniture and fittings and heritage assets. Overall underexpenditure of \$1.348M due to items purchased not meeting Council's capitalisation threshold and transferred to operating expenditure coupled with minor delays in expending the information technology capital budget.
5.6	Renewal	Overexpenditure of \$3.456M due to the completion of capital projects carried over from 2007/08 financial year.
5.7	New Assets	Underexpenditure of \$5.751M relates to: <ul style="list-style-type: none"> <li>- underexpenditure of \$1.348M in plant and equipment; furniture and fittings and heritage assets outlined above</li> <li>- underexpenditure of \$1.242M in building assets outlined above</li> <li>- underexpenditure of \$1.174M in land improvements relating to delays in completing Cleve Plaza and St Kilda Skate Park capital projects</li> <li>- minor costs such as landscaping, demolition works etc for projects completed during 2008/09 transferred to operating expenses</li> </ul>

## Certification of the Standard Statement

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the annual general purpose financial report and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.



DAVID FILMALTER MBL CA  
PRINCIPAL ACCOUNTING OFFICER

DATE 1/9/2009  
St Kilda

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the annual general purpose financial report and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the report to be misleading or inaccurate.

We were authorised by the Council on 31 August 2009 to certify the standard statements in their final form on behalf of the Council.



FRANK O'CONNOR  
MAYOR & COUNCILLOR

DATE 1/9/2009  
St Kilda



JUDITH KLEPNER  
DEPUTY MAYOR & COUNCILLOR

DATE 1/9/2009  
St Kilda



KAY RUNDLE  
CHIEF EXECUTIVE OFFICER

DATE 1/9/2009  
St Kilda



# VAGO

Victorian Auditor-General's Office  
**INDEPENDENT AUDITOR'S REPORT**

## To the Councillors, City of Port Phillip

### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2009 of City of Port Phillip which comprises of income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2009 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

### *The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the City of Port Phillip are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

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*Auditing in the Public Interest*

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# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the City of Port Phillip for the year ended 30 June 2009. The Councillors of the City of Port Phillip are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Council's website.

### *Independence*


The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of City of Port Phillip as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
7 September 2009

  
D D R Pearson  
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000

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# Performance Statement 2008/09

## Annual Plan

Key Strategic Activities	Indicator	Measure	Performance Target	Achievement	Result	Explanation
1. Improve service to the community	1.1 Level of Community Satisfaction	Percentage of respondents in monthly satisfaction surveys that rate the Council's overall performance as "good" or "excellent"	70%	53%	Not Achieved	The achievement represents an average of April 50%, May 52% and June 56%. 35% of respondents said there was no particular issue, just a general impression. The main areas of dissatisfaction (in rank of order) identified in the customer satisfaction surveys in April, May and June are: • Parking management • Roads and footpaths • Waste management and recycling • Planning services • Street Cleaning
	1.2 Reporting on Service Promise	Public release of performance results for published service promises	By June 2009	2 February 2009	Achieved	Service promise results reported to Council as part of the standard quarterly reporting process. The service promise report was first reported to the public in the December 2008 Quarterly Management Report at the Council meeting held 2 February 2009.
2. Governance and risk management	2.1 Completed Risk Management Plan Actions	Percentage of actions with a residual risk of Red or Amber in department risk management plans completed by scheduled completion date	100%	83%	Not Achieved	92 out of a total of 111 actions were completed which equates to a result of 83%. A number of outstanding actions relate to long term changes at the South Melbourne Market and these will be rolled over to the 09/10 year for completion.
	2.2 Conduct of Council Election - voter roll complaints	Number of complaints where a person has been left off the voter's roll as a percentage of registered voters	Less than 0.1%	0.015%	Achieved	Target has been achieved.
3. Financial Management	3.1 Net Operating Result	Net operating result (total income less total expenditure) as a percentage of the total expenditure of the original budget	+/- 0.75%	+1.71%	Not Achieved	The favourable variance is largely due to the receipt of unbudgeted capital grants and the early receipt of the first quarterly installment of the 2009/10 grants commission allocation in 2008/09.
	3.2 Capital Works Expenditure - variance from original budget	Percentage variance of capital works expenditure from the original budget	Less than 10%	18%	Not Achieved	A large portion of this result is attributable to delays in the Gasworks Park remediation. Excluding this capital works project the result would have been 11.53%.
4. Deliver on Community Plan Priorities	4.1 Community Satisfaction - Appearance of Public Areas	Ratings from Annual Local Government Victoria community satisfaction survey	65%	62%	Not Achieved	Over half of the respondents identified more frequent / better street cleaning as the most significant improved need.
	4.2 Community Satisfaction - Traffic Management & Parking Facilities	Ratings from Annual Local Government Victoria community satisfaction survey	55%	54%	Not Achieved	More than 1/4 of respondents identified more parking facilities / capacity and more parking specifically allocated for residents as the major improvement need in the category.
	4.3 Community Satisfaction - Health & Human Services	Ratings from Annual Local Government Victoria community satisfaction survey	70%	72%	Achieved	The greatest improvement needs were identified as: - improved / more childcare facilities / after school / holiday care - increase resources for / availability of home help / meals on wheels - more facilities / resources for Aged Care / better nursing homes
	4.4 Community Satisfaction - Recreational Facilities	Rating from Annual Local Government Victoria community satisfaction survey	75%	72%	Not Achieved	Almost 1/4 of respondent identified Better maintenance of sporting facilities (excluding pools) as the major improvement need in the category More / better / safer playgrounds and / or equipment / with sun shade also rated highly as an improvement need.
5. Deliver on the City of Port Phillip Climate Change Response	5.1 Council's Carbon Emissions	Year on year change in greenhouse gas emissions in CO2 equivalent from electricity use at Council's largest electricity usage building and Council's vehicle fleet	4% reduction (revised to 27.4% to account for Greenpower)	25.4%	Not Achieved	Target revised to 27.4% reduction, taking into account the purchase of 100% accredited green power. Actual reduction achieved was 25.4%. Commencing with 11,993t Council reduced emissions to 8,952t against a target of 8,707t.
	5.2 Completed Milestones of key climate change projects	Percentage of milestones for projects in the City's Climate Changes Response package that are complete as per project plans set at the start of the financial year	90%	78%	Not Achieved	The identified achievements were too optimistic. Incomplete projects to be completed in 2009/10 include the capital works ESD toolkit, water conservation and WSUD policy, Climate Changes Adaptation, Climate Challenge 1000 and e-hub.

### Note I - Definition and description of key strategic activity indicators

Indicator	Measure	Source of Data
1.1 Level of community satisfaction	Percentage of respondents in monthly satisfaction surveys that rate the Council's overall performance as "good" or "excellent"	City of Port Phillip monthly satisfaction surveys
1.2 Reporting on Service Promise	Public release of performance results for published service promises	Service Promise Key Performance Indicator
2.1 Completed Risk Management Plan Actions	Percentage of actions with a residual risk rating of Red or Amber in department risk management plans completed by scheduled completion date	Action Manager
2.2 Conduct of Council Election - voter roll complaints	Number of complaints where a person has been left off the voter's roll as a percentage of registered voters	Pathway
3.1 Net Operating Result	Net operating result (total income less total expenditure) as a percentage of the total expenditure original budget	Financial Statements
3.2 Capital Works Expenditure - variance from original budget	Percentage variance of capital works expenditure from the original budget	Financial Statements
4.1 Community Satisfaction - Appearance of Public Areas	Ratings from Annual Local Government Victoria community satisfaction survey	Local Government Victoria community satisfaction survey
4.2 Community Satisfaction - Traffic Management & Parking Facilities	Ratings from Annual Local Government Victoria community satisfaction survey	Local Government Victoria community satisfaction survey
4.3 Community Satisfaction - Health & Human Services	Ratings from Annual Local Government Victoria community satisfaction survey	Local Government Victoria community satisfaction survey
4.4 Community Satisfaction - Recreational Services	Ratings from Annual Local Government Victoria community satisfaction survey	Local Government Victoria community satisfaction survey
5.1 Council's Carbon Emissions	Year on year change in greenhouse gas emissions in CO2 equivalent from electricity use at Council's largest electricity usage buildings and Council's vehicle fleet	Carbon Emissions Key Performance Indicator
5.2 Completed Milestones of key climate change projects	Percentage of milestones for projects in the City's Climate Change Response package that are completed as per project plans set at the start of the financial year	Action Manager

#### Key Strategic Activities

The Key Strategic Activities (KSA) to be undertaken during the 2008/2009 financial year are listed above. KSAs are a legislative obligation and are to be included as part of the Annual Budget. Performance measures and targets are required for each KSA and the results are reviewed and approved by the Auditor General. The KSAs and their associated results, along with the Auditor General's approval, are then reported in the relevant Annual Report and titled the Performance Statement.

### Council approval of the performance statement

#### Certification of the Standard Statements

In our opinion, the accompanying performance statement of the Port Phillip City Council in respect of the 2008/2009 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures that Council is required by statute to publish as part of the annual report.

The Council Plan sets out these measures in relation to the achievement of the key strategic activities for the 2008/2009 financial year.

As at the time of signing, we are not aware of any circumstances that would render any particular in the statement to be misleading or inaccurate.

We were authorised by Council on 31 August 2009 to certify the Performance Statement in its final form on behalf of the Council.

FRANK O'CONNOR  
MAYOR & COUNCILLOR

DATE 1 / 9 / 2009  
St Kilda

JUDITH KLEPNER  
DEPUTY MAYOR & COUNCILLOR

DATE 1 / 9 / 2009  
St Kilda

KAY RUNDLE  
CHIEF EXECUTIVE OFFICER

DATE 1 / 9 / 2009  
St Kilda



# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, City of Port Phillip

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2009 of the City of Port Phillip which comprises the statement, the related notes and the council approval of the performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the City of Port Phillip are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Matters Relating to the Electronic Presentation of the Audited Performance Statement*

This auditor's report relates to the performance statement published in both the annual report and on the website of the City of Port Phillip for the year ended 30 June 2009. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's website.

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# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

#### *Auditor's Opinion*

In my opinion, the performance statement of the City of Port Phillip in respect of the 30 June 2009 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
7 September 2009

  
D D R Pearson  
Auditor-General

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# Translation information

## Translation information

This information is provided by the council to inform residents about council services and responsibilities.

For a translation of this information contact the council's interpreter service.

Cantonese	(03) 9679 9810
Greek	(03) 9679 9811
Polish	(03) 9679 9812
Russian	(03) 9679 9813

此信息由Port Phillip市政府提供，目的在於告知居民市政府的服務和責任。若想得到此信息的翻譯，請與市政府的口譯服務處聯繫。廣東話翻譯電話9679 9810。

Οι πληροφορίες αυτές παρέχονται από το Δήμο Πόρτ Φίλιπ για να πληροφορήσουν τους δημότες σχετικά με τις δημοτικές υπηρεσίες και υποχρεώσεις. Για μετάφραση αυτών των πληροφοριών επικοινωνήστε με την υπηρεσία διερμηνέων του δημορχείου. Για μετάφραση στα Ελληνικά καλέστε το 9679 9811.

Эта информация предоставлена Муниципальным Советом Port Phillip в целях ознакомления жителей района с услугами и обязательствами муниципального совета. Чтобы получить перевод этой информации, обратитесь в переводческую службу муниципального совета. Чтобы получить перевод на русский язык, позвоните по номеру 9679 9813.

Informacja ta została przygotowana przez Radę Dzielnicy Port Phillip w celu powiadomienia mieszkańców o usługach i obowiązkach Rady. W celu uzyskania tłumaczenia tej informacji należy skontaktować się ze służbą tłumaczy Rady. Tłumaczenie na język polski otrzymać można dzwoniąc pod numer 9679 9812.

### Contact us for a translation

This information is provided by the City of Port Phillip to inform residents about council services and responsibilities.

For a translation of this information contact the council's interpreter service. For a translation in:

Chinese	(03) 9679 9810
Greek	(03) 9679 9811
Polish	(03) 9679 9812
Russian	(03) 9679 9813
Other languages	(03) 9679 9814

Παρακαλούμε να επικοινωνήσετε με το Συμβούλιο της Πόρτ Φίλιπ για να ενημερωθείτε σχετικά με τις δημοτικές υπηρεσίες και υποχρεώσεις. Για μεταφράσεις αυτής της πληροφορίας επικοινωνήστε με την υπηρεσία διαμετρήσεων του Συμβουλίου. Για μεταφράσεις στα Ελληνικά καλέστε το 9679 9811.

Эта информация предоставляется муниципальным Советом Порт Филлип в целях ознакомления жителей района с услугами и обязанностями муниципального совета. Чтобы получить перевод этой информации, обратитесь в переводческую службу муниципалитета совета. Чтобы получить перевод на русский язык, позвоните по номеру 9679 9813.

Эта информация предоставляется муниципальным Советом Порт Филлип в целях ознакомления жителей района с услугами и обязанностями муниципального совета. Чтобы получить перевод этой информации, обратитесь в переводческую службу муниципалитета совета. Чтобы получить перевод на русский язык, позвоните по номеру 9679 9813.

Informacja ta została przygotowana przez Radę Miejską Port Phillip w celu poinformowania mieszkańców o usługach i obowiązkach Rady. W celu uzyskania tłumaczenia tej informacji należy skontaktować się ze służbą tłumaczący Rady. Tłumaczenie na język polski otrzymał można również pod numer 9679 9812.

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### Email

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### TTY (hearing impaired telephone typewriter)

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0432 005 405

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October 2009



On behalf of the City of Port Phillip, the council pays its respects to the people and elders, past and present, of Yalukit Wilam and the Kulin Nation. We acknowledge and uphold their relationship to this land.